
Consultation Document For the 2019/20 Schools and Early Years Funding Formulae

September 2018

Children, Schools and Families

Director: Rachael Wardell



CONSULTATION ON 2019/20 BUDGET

Children, Schools and Families

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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, Rachael Wardell, and it comprises two divisions which are led by Assistant Directors (AD):

- AD for Education – Jane McSherry
- AD for Social Care and Youth Inclusion – Paul Angeli

1.1.2 The local authority is required under regulation 9 of The School and Early Years Finance (England) Regulations 2018 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 on de-delegation and recommendations in relation to Merton's 2019/20 schools funding formula.

1.1.4 This consultation document is structured into six main sections:

- Section 1 Background
- Section 2 Schools Block funding
- Section 3 Central School Services Block
- Section 4 Early Years Block funding
- Section 5 High Needs Block funding
- 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. This includes mainstream and special schools, early years, alternative and other high need provision such as Pupil Referral Units.

1.2.2 While it remains the Government's intention that a school's budget should be set on the basis of a single national formula in 2019/20 and 2020/21, local authorities will continue to determine final funding allocations for schools through a local formula. The NFF sets notional allocations for each school, which is aggregated and used to calculate the total Schools Block received by each local authority.

1.2.3 There are a number of changes to the funding system this year which impacts the funding Merton receives and how we redistribute that funding through Merton's schools funding formula.

- Due to the significant progress across the system in moving towards the NFF in its first year, the Education & Skills Funding Agency (ESFA) confirmed that local authorities will continue to determine local formulae in 2020/21.
- Within the Schools Block, the Government will provide for at least a 1% per pupil increase for each school in 2019/20 through the NFF compared to their 2017/18 baseline (0.5% was provided for 2018/19).
- The minimum per pupil funding levels have increased to £3,500 for all primary schools and £4,800 for all secondary schools that have pupils in years 10 and 11.
- The gains cap has increased so that schools can attract gains of up to 6.09% against their 2017/18 baselines (to note, the minimum per pupil levels are not gains capped).
- Growth to local authorities will be allocated on a formulaic basis. The ESFA are not making any changes to the ways in which local authorities can distribute growth funding.

- The ESFA have reduced the primary school low prior attainment factor value to £1,022 to balance the increase in the cohort. Should Merton use the local funding formula, a similar adjustment would be made to balance the increase in cohort.
 - Within the High Needs Block, the Government will provide for at least a 0.5% overall increase in 2018/19 through the high needs NFF. The High Needs Block will be protected against 2017/18 baselines, subject to some adjustments explained in paragraph 5.1.3.
 - The Minimum Funding Guarantee (MFG) for schools will continue, and local authorities will continue to have the flexibility to set a local MFG between 0.5% and minus 1.5% per pupil.
 - The Schools Block will again be ring-fenced in 2019/20. Local authorities are able to transfer up to 0.5% of their Schools Block funding out with the agreement of their schools forum. Transfers of more than 0.5% may be allowed in circumstances where the Secretary of State has previously allowed a transfer between blocks and where this is again agreed by the schools forum.
- 1.2.4 Due to sustained government funding cuts, 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.
- 1.2.5 As we are moving towards a hard NFF, it is unclear if de-delegation will continue from 2021/22. We will consult with head teachers around setting up SLAs for previously de-delegated items once we have received more clarity from the ESFA on how this will work in future.
- 1.2.6 The Early Years Block of the DSG funds a variety of early years educational establishments that deliver the funded entitlement as well as core support. This includes mainstream and special schools (including academies and free schools), private and voluntary providers, independent schools, and childminders. This funding is provided in two stages: first Government provides the grant to local authorities, and then the authorities distribute the grant to the local educational establishments.
- 1.2.7 The Early Years Block of the DSG is calculated based on data from the early years and schools censuses, with a mid-year adjustment. Final allocations in July are based on 5/12th of the January 2018 child numbers (to cover the period April to August) and 7/12th of the January 2019 child numbers (to cover the September to March period), to acknowledge any in-year changes in child numbers.
- 1.2.8 Local Authority Early Years Pupil Premium (EYPP) allocations for 2019/20 will be updated twice. They will first be updated based on the January 2018 census Part Time Equivalent (PTE) number of eligible children. Then, Local Authority final EYPP allocations will be calculated as a weighted average of January 2018 census eligible PTE counts (weighted 5/12th) and January 2019 figures (weighted 7/12th).
- 1.2.9 Merton Council will continue to monitor the supply and take up of 2, 3 and 4 year old places to ensure that its sufficiency duties are met, and that there is a good choice of high quality, flexible and accessible funded early education provision for children aged 2 to 4 years.

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 | 2018/19 Amount £000 | 2017/18 Amount £000 |
|---|---------------------------|---------------------------|
| Dedicated Schools Grant (DSG) | 146,120 | 144,374 |
| Pupil Premium | 5,959 | 6,045 |
| Post 16 mainstream funding (6 th form) | 5,499 | 5,507 |
| Universal infant free school meals | 2,188 | 2,280 |

- 2.1.2 Table 2 below shows how the total DSG for 2018/19 was split between the four funding blocks.

Table 2: Split of DSG over the four blocks

| Block | 2018/19 Amount £000 | 2017/18 Amount £000 |
|--------------------------------|---------------------------|---------------------------|
| Schools Block | 97,906 | 97,274 |
| Central Schools Services Block | 1,021 | 999 |
| Early Years Block | 15,572 | 14,422 |
| High Needs Block | 31,621 | 31,679 |
| Total DSG | 146,120 | 144,374 |

- 2.1.3 Local authorities have the choice to use the NFF, or set their own local school funding formulae, within parameters set down by the Government. The allowable funding factors in local formulae remain the same for 2018/19 with one exception which is to enable local authorities to mirror the increase of 1% per pupil against the 2017/18 baselines.
- 2.1.4 In addition to the new factor mentioned above, the ESFA have made a number of smaller changes to the arrangements for calculating local formulae, to support local authorities to mirror the NFF:
- Local authorities will no longer be able to set a primary weighting for low prior attainment because all results have been assessed under the new framework and there is therefore no longer a need to use a weighting.
 - The Authority Proforma Tool (APT) cap now has the functionality to vary the capping and scaling to apply the alternative gains cap used in the NFF, meaning that local authorities can allow schools to gain the greater of either 3% of their 2018/19 baseline, or 20% of their remaining gains.
 - While we are able to set a local funding formula, we can continue to de-delegate any items permitted within the guidance.
- 2.1.5 As in previous years, this consultation cannot inform schools what their budgets will be for 2019/20, but will use 2018/19 grant data to reflect any proposed formula changes in order to demonstrate how funding will change from 2018/19 to 2019/20.
- 2.1.6 Based on the initial grant estimate provided by the ESFA for 2019/20, we are expecting that we would be able to allocate an additional £2,058,675 through the schools funding formula.

This is an initial estimate and could increase or decrease once the final allocation is made in December 2018. The options we ask schools to consider includes this anticipated increase.

2.1.7 Merton will consult schools and academies on four schools funding formula options this year:

- A: Using the previous local formula and allocate any additional funding available through the IDACI deprivation factor, allocating this funding between primary and secondary schools apportioned on the primary to secondary ratio as per the local funding formula which for 2018/19 was 1:1.33.
- B: Using the previous local formula and allocate any additional funding available through the Free School Meals deprivation factor, allocating this funding between primary and secondary schools apportioned on the primary to secondary ratio as per the local funding formula which for 2018/19 was 1:1.33.
- C: Replicating the NFF using the funding floor factor to reflect the NFF calculation of a minimum 1% per pupil increase over the 2017/18 baselines. In order to balance to the amount available to be allocated through the schools funding formula, this means that growth will need to be capped at 2.38%.
- D: Replicating the NFF, but not using the funding floor factor to reflect the NFF calculation of a minimum 1% per pupil increase over the 2017/18 baselines. In order to balance to the amount available to be allocated through the schools funding formula, this means that growth will need to be capped at 2.56%.

2.1.8 Merton's growth caps will be lower than the national cap of 6.09% mainly due to the following factors:

- Premises factors like rates and split sites are funded at historic costs (2018/19 values) while Merton will update these for inflation before allocating it out to schools in the 2019/20 formula.
- The growth fund allocation is changed from a historic basis to a formulaic basis from 2019/20. As part of this change there is a risk that Merton's funding will reduce. We have built in a contingency of £611k based on the ESFA protection guidance which has reduced the overall amount available to be allocated to schools. This amount will be updated once the final allocation is announced in December 2018.
- The NFF assumes no transfer from the Schools Block to the High Needs Block. Merton has assumed that we will transfer the allowable 0.5% (£600,000) which again reduces the amount available to then pay to schools.

2.1.9 Appendix A provides an illustration of the differences between the four funding options. Please provide your preferred option in section 2.1.7 of the feedback questionnaire.

2.1.10 The table below summarise the results of the four options.

| | Primary Phase | | Secondary Phase | | Academies | |
|--|---------------|-------|-----------------|-------|-----------|-------|
| | Best | Worse | Best | Worse | Best | Worse |
| Which option provides most funding | A | D | D | A | B | A |
| Which option results in more schools gaining | B | C | D | C | A/B/D | C |
| Which option results in the most schools losing funding from 2018/19 | | D | | N/A | | C/D |

2.2 The allowable formula factors

2.2.1 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.

2.2.2 There are also 13 optional factors as detailed below:

| | |
|--|--|
| Prior attainment | Looked After Children (LAC) |
| English as an additional language (EAL) | Pupil mobility |
| Sparsity | Lump sum |
| Split sites | Rates |
| Private Finance Initiative (PFI) contracts | London Fringe |
| Exceptional premises factors | Minimum level of per pupil funding for primary and secondary schools |
| Funding floor factor | |

2.2.3 Local authorities must allocate at least 80% of the delegated Schools Block funding through pupil-led factors; that is, the two compulsory and the ones highlighted in the table above, with the London fringe uplift where relevant. In Merton this was 90.98% in 2018/19.

2.2.4 Values quoted in this document are based on the draft new formula for 2019/20, but using the 2018/19 funding settlement and the October 2017 census data as provided by the ESFA. These are for illustrative purposes only to support the decision making process and will be updated once the 2019/20 funding settlement and the October 2018 census data are available.

2.2.5 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.

2.2.6 As we are expecting 2 years of local discretion before the NFF will be applied at school level, Merton is not proposing major changes to the factors used in the funding formula for 2019/20. 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.

2.2.7 Appendix B provides details about the allowable funding formula factors and how it is applied in Merton's local funding formula.

2.2.8 Merton will start to use the minimum level of per pupil funding for primary and secondary schools factor from 2019/20. This will be included in all four options although funding is already set higher than the minimum levels and will therefore not have a financial impact on the formula. This is to ensure minimum levels are funded in future in the eventuality that these values change in the NFF.

2.2.9 The main differences between Merton's local formula (paragraph 2.1.7 options A and B) and Merton's NFF replications (paragraph 2.1.7 options C and D) are:

- The unit value assigned to each of the factors
- The NFF does not include the reception uplift
- The local formula uses FSP point 73 for the secondary school prior attainment allocations while the NFF uses FSP point 78.
- The funding floor factor is not used in the local formula, but is included in option C.

2.3 Optional de-delegation for maintained schools

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

2.3.2 Centrally retained services are split into two groups based on different DSG funding streams:-

- 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.
- Central school services block. More details on these services can be found in section 3 of this report.

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 maintained 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 E contains more details about the centrally retained services and the approval required to fund them. Table 4 below details the requests for de-delegation for 2019/20 compared to 2018/19.

Table 4: Request for de-delegation of funding

| Service | 2019/20 £000 | 2018/19 £000 |
|--|-----------------|-----------------|
| Contingencies | 563 | 550 |
| Primary school meals management | 20 | 20 |
| Licences and subscriptions | 121 | 117 |
| Supply staff cost for parenting cover and public duties | 899 | 881 |
| Support to underperforming ethnic minority groups and bilingual learners | 101 | 212 |
| Behaviour support services | 201 | 199 |
| School improvement | 146 | 31 |
| Total | 2,051 | 2,010 |

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 2018/19 formula and will change following the October 2018 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 (stay with school) or de-delegated (centrally managed by Merton council).

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 £18.91 per pupil on roll to provide an overall de-delegated budget of £400,000 (£18.91 in 2018/19).

- 2.3.6 **Contingencies- Merton Strategic School Effectiveness Partnership (MSSEP) (formerly Merton Education Partnership (MEP)):** The use of this funding will be agreed through the governance arrangements of the MSSEP board. The fund is used to deliver partnership work 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 £4.83 per pupil on roll to provide an overall de-delegated budget of £100,000 (this was set at £4.83 in 2018/19).

- 2.3.7 **Contingencies- Tree maintenance:** This budget is used for emergency tree work and 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 £2.98 per pupil on roll to provide an overall de-delegated of budget £63,000 (£2.36 in 2018/19).

- 2.3.8 **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 2016 until July 2019 with an option to extend for a further two years. While the contractor could change from August 2019, the key arrangements will not change in that 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 in 2016 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 £1.25 per pupil on roll (£1.25 in 2018/19).

- 2.3.9 **Licences and subscriptions:** This budget is estimated to be £121,000 for Schools Information Management System licences (£115,374 for 2018/19). 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 3.2.1 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 £5.72 per pupil on roll to provide the overall de-delegated budget (£5.53 for 2018/19).

- 2.3.10 **Supply staff cost for parenting cover and public duties:** This budget includes £833,000 for parenting cover (£816,000 for 2018/19) and £66,000 for public duties (£65,000 in 2018/19). 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. Parenting cover costs have been growing consistently over the past years due to an increase in number of claims as well as an increase in staffing costs.

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 £42.50 per pupil on roll (£41.65 in 2018/19) to provide an overall de-delegated budget of £899,000.

- 2.3.11 **Support to under-performing ethnic minority groups and bilingual learners:** This budget includes £101,000 for the equalities and diversity service, including the new arrivals team.

The budget currently funds a post to deliver a range of support services to schools to improve outcomes for some under-performing groups and bilingual learners. 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 the funding stayed 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.

The budget also 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.

Schools contribute towards this fund based on the English as Additional Language (EAL) factor. The cost to both primary and secondary schools is estimated at £22.20 per EAL pupil percentage point (£46.60 in 2018/19) to provide an overall de-delegated budget of £101,000.

- 2.3.12 **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 based on schools funding rather than pupil needs. If the primary behaviour service was delegated there is a potential to require more expensive 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 £33.46 per low attainment pupil percentage point to provide an overall de-delegated budget of £201,000 (£33.13 for 2018/19).

- 2.3.13 **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.

- 2.3.14 **School Improvement:** Since September 2017 school improvement has been funded through the School Improvement Grant (covering statutory intervention functions and services such as monitoring and commissioning of school improvement support), de-delegation (for additional school improvement provision for maintained schools) and some funding from the local authority to fund the balance.

Funding for non-statutory duties for maintained schools through SLAs provide a budgeted income of £133,770. The short of £31,000 was funded through de-delegation in 2018/19. Funding that was previously identified as support for under-performing ethnic minority groups and bilingual learners (section 2.3.11) was also used for the school improvement service. We have now moved this funding to this service to ensure a more accurate representation of the costs. This means that the support to under-performing ethnic minority groups and bilingual learners (2.3.11) funding required will reduce from £212,000 in 2018/19 to £101,000 in 2019/20 and the funding required for School Improvement will increase from £31,000 in £2008/19 to £146,000 in 2019/20.

This budget is used to fund the traveller service, inspectors, advisory teachers, some SEND posts as well as the analysis of local authority level pupil outcome statistics.

Schools contribute towards this fund based on numbers on roll through the AWPUP factor. The cost to primary and secondary schools is estimated at £6.90 per pupil on roll to provide an overall de-delegated budget of £146,000 (£1.47 for 2018/19).

- 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 2018/19 formula data to model the new 2019/20 values, the **ESTIMATED** cost of de-delegating the above funding to each school is shown in Appendix F. These figures are not final as they will change once the October 2018 census and other data is provided from the ESFA. The aim of providing these details is to aid schools in their decision-making process.

2.4 Education services for mainstream maintained schools

- 2.4.1 Local authorities are able to fund services previously funded from the general funding rate of the Education Services Grant (ESG) (for maintained schools only) from maintained school budget shares with the agreement of maintained school members of the schools forum.
- 2.4.2 The amount to be retained by the local authority should be agreed by the relevant maintained schools members of the schools forum (primary, secondary, special and pupil referral units). If the local authority and schools forum are unable to reach a consensus on the amount to be retained by the local authority, the matter can be referred to the Secretary of State.
- 2.4.3 Local authorities should set a single rate per 5 to 16 year old pupil for all mainstream maintained schools, both primary and secondary. In the interests of simplicity, this is deducted from basic entitlement funding. Adjustments to other factors are not allowed and the rate will not include early years or post-16 pupils, who are in any case funded through different formulae. Local authorities may choose to establish differential rates for special schools and PRUs if the cost of fulfilling the duty is substantially different for these schools. The rate is expressed per place rather than per pupil for special schools and PRUs.
- 2.4.4 The multipliers used in ESG previously were 3.75 for PRUs and 4.25 for special schools. Merton decided to be consistent and use the same rate for all schools and not have a higher rate for special schools or the PRU.
- 2.4.5 As with de-delegation, the amount to be held by the local authority is determined after the MFG has been applied. Funding will also be recouped if a school becomes academy.

- 2.4.6 Up until 2017/18, ESG was made up of two rates that funded two different groups of services:
- The **retained duties rate** has gone to local authorities to fund services they provide to all schools, including academies
 - The **general duties rate** has gone to both local authorities and academies to fund services authorities provide to maintained schools but which academies must provide themselves
- 2.4.7 The retained duties rate of the ESG which has previously gone to local authorities to fund services they provide to all schools, including academies, is now allocated through the DSG and is included in the Central Schools Service Block. See section 3.6 for more details.
- 2.4.8 The general duties rate of the ESG has been cut by central government and is what we review in this section. The split of services between the two groups is shown at Appendix G.
- 2.4.9 Table 6 below shows how the ESG funding was reduced over the past five years and how this was replaced. It also shows the cost of the statutory duties that was funded. This comes from the S251 return which is the statutory financial return local authorities complete annually to the DfE.

Table 6: Funding of statutory duties previously funded through the ESG

| Description | 2014/15 £000 | 2015/16 £000 | 2016/17 £000 | 2017/18 £000 | 2018/19 £000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| ESG | 3,203 | 2,594 | 2,350 | 693 | 0 |
| ESG to DSG (retained duties) | 0 | 0 | 0 | 399 | 411 |
| Grant funding | 3,203 | 2,594 | 2,350 | 1,092 | 411 |
| School funding required | 0 | 0 | 0 | 500 | 650 |
| LA funding required | (32) | 322 | (197) | 810 | 1,397 |
| Total funding | 3,171 | 2,916 | 2,350 | 2,402 | 2,350 |
| Statutory and Regulatory duties | 1,490 | 1,391 | 980 | 1,069 | 1,031 |
| Education Welfare | 340 | 342 | 334 | 364 | 399 |
| Asset management | 315 | 285 | 364 | 340 | 361 |
| Central support services | 133 | 152 | 37 | 72 | 58 |
| Premature retirement and redundancy | 347 | 248 | 216 | 431 | 609 |
| Monitoring national curriculum assessment | 75 | 78 | 0 | 0 | 0 |
| School improvement | 471 | 420 | 222 | 126 | 0 |
| Total cost of duties | 3,171 | 2,916 | 2,153 | 2,402 | 2,458 |

- 2.4.10 School improvement has been excluded from the above arrangements from September 2017. Local authorities receive a separate grant covering their statutory intervention functions and monitoring and commissioning of school improvement support. From 2017/18 schools forums have also been able to agree to de-delegate further funding for additional school improvement provision for maintained schools. For more details, please see 2.3.14.
- 2.4.11 The school contribution for 2019/20 is proposed to remain at £650,000. This will mean that schools will fund 32% of the costs while the LA will fund 68%. We have maintained the local authority funding of these services to minimise the impact on school budgets.
- 2.4.12 The individual school's contribution is calculated based on numbers on roll through the AWP factor. The cost to primary, secondary and special schools is estimated to be £30.73 per pupil on roll in 2019/20 to provide an overall de-delegated budget of £650k (£30.73 in 2018/19). The unit cost will be updated once we have the October 2018 census data.
- 2.4.13 Maintaining local authority and school contributions at the current agreed levels ensures that central services supporting schools such as finance, education welfare, education planning etc. continues to be provided.

2.5 Minimum Funding Guarantee (MFG)

- 2.5.1 Local authorities will continue to be able set a pre-16 MFG in their local formulae, to protect schools from excessive year on year changes and to allow changes in pupil characteristics (for example reducing levels of deprivation in a school) to flow through.
- 2.5.2 Merton is again this year consulting on the level of MFG to be used in the funding formula which can be set between 0.5% and minus 1.5% per pupil. Table 8 below shows the total amount of MFG and the number of schools it will be applied to if Merton applied a 0.5%, 0%, -1.0% and a -1.5% in the local formula. Please let us know your preference in section 2.5. of the feedback questionnaire.

Table 8: MFG at different % levels

| MFG Percentage | Option A | | Option B | | Option C | | Option D | |
|----------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | No of schools | MFG amount £ | No of schools | MFG amount £ | No of schools | MFG amount £ | No of schools | MFG amount £ |
| 0.5% | 11 | 37,504 | 3 | 22,717 | 13 | 121,411 | 13 | 323,837 |
| 0.0% | 1 | 4,444 | 1 | 13,622 | 8 | 42,238 | 11 | 235,099 |
| -1.0% | 0 | 0 | 1 | 1,391 | 1 | 4,808 | 8 | 114,970 |
| -1.5% | 0 | 0 | 0 | 0 | 1 | 2,495 | 7 | 71,560 |

- 2.5.3 It is important to note that when more money is used to fund the MFG, it means less is available to allocate through the other formula factors (for option A and B) and schools that should be gaining will need to be capped at a lower percentage (for options C and D). This will be considered when the final formula is set in January 2019 in order to balance to the funding available for distribution.
- 2.5.4 The indicative figures provided in appendix A for models 1 and 2 assumes a 0% MFG which is consistent with the decision made at Schools Forum last year. Models 3 and 4 assumes a -1.5 % MFG which is consistent with the NFF.
- 2.5.5 The MFG applies to pupils in reception to year 11. Early years pupils and ESFA funded post-16 pupils are excluded from the calculation. The following formula factors are automatically excluded from the MFG calculation as not doing so would result in excessive protection or be inconsistent with other policies:
- The sparsity factor
 - The lump sum
 - Business rates

2.6 Growth Fund

- 2.6.1 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.
- 2.6.2 The funds are provided on the same basis 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).
- 2.6.3 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 (£80,000 plus £57,140). 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.

- 2.6.4 We propose to reduce the growth fund from £1,160,000 in 2018/19 to £990,000 in 2019/20 and will cater for both primary and secondary expansion classes. This will be used to fund the remaining 2 primary bulge classes, an estimated 5 secondary bulge classes and the growing free school and academy. The total growth fund allocation by phase is split £190,000 for primary and £800,000 for secondary.
- 2.6.5 The growth funding is within local authorities' Schools Block NFF allocations. For 2019/20, growth funding will be allocated to local authorities using a new formulaic method based on lagged growth data. The change in the method of funding local authorities has not changed the way in which authorities can allocate funding locally.
- 2.6.6 As it is within the Schools Block, a movement of funding from the schools formula into the growth fund would not be treated as a transfer between blocks, but the schools forum would still need to agree the total growth fund.
- 2.6.7 With the move to a formulaic method of calculating growth funding, the ESFA will apply protection so that no local authority's growth allocation will fall by more than minus 0.5% of their overall 2018/19 Schools Block funding. This is estimated to be circa £611,000 for Merton. As no further details have been provided on an estimated growth fund allocation for next year, we have assumed that Merton will lose the maximum amount and have therefore built in a contingency for this amount. Should the overall funding be higher than anticipated, the additional funding will be allocated through the schools funding formula.
- 2.6.8 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.
- 2.6.9 This fund should also be used to fund start-up cost and diseconomy of scale costs of new schools where they are created with the involvement of the local authority to meet basic need. Due to the expected reduction in funding, no contingency was built into the growth fund for this purpose.

2.7 Transfer between blocks

- 2.7.1 The Schools Block was ring-fenced from 2018/19, but local authorities are able to transfer up to 0.5% of their Schools Block funding out with the agreement of their schools forum. Local authorities wishing to make a transfer should consult with all local maintained schools and academies, and the schools forum should take into account the views of the schools responding before giving their approval.
- 2.7.2 There is an exceptions process, which will require Secretary of State approval, for considering transfers above the 0.5% limit and/or where the schools forum is opposed to the transfer. Whilst the other blocks are not subject to limits on transfers, local authorities are strongly encouraged to consult their schools and agree with their schools forum any other proposal to move funding between blocks.
- 2.7.3 These transfers are not permanent in nature, and will be subject to consultation and agreement by the Schools Forum again in 2020/21 should this be required.

- 2.7.4 For 2019/20 Merton propose to transfer £600,000 from the Schools Block to the High Needs Block. This represents 0.49% of the indicative 2019/20 Schools Block allocation and will be used to continue to fund the increase in numbers at special schools as well as the 2% increase in top-up (banding) fees which were agreed for 2018/19.
- 2.7.5 Based on the total number on roll at October 2017 of 24,730, this transfer equates to about £24.26 per pupil. If this transfer did not happen, the local authority would need to reduce the band funding values for all Education, Health and Care Plans (EHCP) pupils in order to reduce the cost pressure on the High Needs Block.
- 2.7.6 Due to the overall cost pressure of the High Needs Block, it is expected that the full transfer of 0.5% from the Schools Block to the High Needs Block will continue to be required in future years as a minimum.
- 2.7.7 The transfer is required as the HNB funding growth has not been sufficient to cover the growth in cost associated with EHCPs as detailed in section 5.1.4.
- 2.7.8 Section 5.3 provides more detail on Merton's strategic financial plan for addressing the High Needs Block cost pressures.
- 2.7.9 Merton did not consider transferring funding from the early years block to the HNB for 2019/20 as any transfer would be included as part of the retained items in the pass through rate calculation. Savings already had to be identified to cover the reduction in the pass through rate from 7.5% to 5%.

2.8 Proforma

- 2.8.1 Appendix H is a draft of the proforma that will be submitted to the ESFA for agreement in January 2019. This is just an example and is based on option A of the consultation.

2.9 Timetable

- 2.9.1 Attached as Appendix I is the timetable for setting the 2019/20 Schools' Budget. Responses to the Funding Consultation are due back on the 12th October 2018. Analysed results will be presented to the Schools Forum on the 31st October 2018 in order to agree the formula to be used for 2019/20.

3 Central School Services Block (CSSB)

3.1 Introduction

- 3.1.1 The CSSB was introduced in 2018/19, to fund local authorities for the statutory duties that they hold for both maintained schools and academies. The CSSB brings together:
- Funding for ongoing central functions, such as admissions, previously top-sliced from the Schools Block
 - Residual funding for historic commitments, previously top-sliced from the Schools Block
 - Funding previously allocated through the retained duties element of the (ESG)
- 3.1.2 Appendix E provides more details on funding that can be centrally retained as per the guidance provided by the ESFA. Table 10 below details the value of items applicable in Merton.

Table 10: Centrally retained funding

| Description | 2019/20 £000 | 2018/19 £000 |
|---|-----------------|-----------------|
| Central licences negotiated by the Secretary of State | 121 | 119 |
| School admissions | 286 | 271 |
| Servicing of school forums | 12 | 12 |
| Prudential borrowing | 207 | 207 |
| Statutory and regulatory duties LAs hold for all schools (including academies & free schools) | 412 | 412 |
| Total Centrally retained funding | 1,038 | 1,021 |

- 3.1.3 With the exception of the central licences negotiated by the Secretary of State, Schools Forum approval is required for these services every year on a line-by-line basis. The prudential borrowing budget is also not allowed to exceed the value agreed in the previous funding period.

3.2 Central licences negotiated by the Secretary of State

- 3.2.1 The DfE pays subscriptions on behalf of schools to the following agencies:
- Christian Copyright Licensing International
 - Copyright Licencing Agency (CLA)
 - Educational Recording Agency (ERA)
 - Filmbank Distributors Ltd (for the PVSL)
 - Mechanical Copyright Protection Society (MCPS)
 - Motion Picture Licensing Company (MPLC)
 - Newspaper Licensing Authority (NLA)
 - Performing Rights Society (PRS)
 - Phonographic Performance Limited (PPL)
 - School Printed Music Licence (SPML)
- 3.2.2 These agreements are administered and paid for by the ESFA and deducted directly from the DSG.

3.3 School admissions

- 3.3.1 This service covers the cost of the school admissions team. The funding will increase with inflation and the additional growth on the CSSB will be allocated here to reflect the loss of income this section generated in the past by providing management oversight for the Sutton admissions service which will cease for 2019/20.

3.4 Servicing of Schools Forum

- 3.4.1 This budget covers the administration cost of the Schools Forum, including officer and running costs. The funding will continue at £12,200 for 2019/20.

3.5 Prudential Borrowing

- 3.5.1 The prudential borrowing was agreed on 15th October 2007 by the Schools Forum to increase the special school places available in the borough. This was agreed as a “spend to saving” initiative due to the high cost of independent provision.
- 3.5.2 This historic cost of £207,240 was agreed for 25 years and repayment started in 2012/13.

3.6 Statutory and regulatory duties LAs hold for all schools

- 3.6.1 The duties that are included within the CSSB are included in the left hand column of Appendix G.
- 3.6.2 Where local authorities hold duties in relation to all schools (as set out in Schedule 2, Parts 1 to 5 of the School and Early Years Finance Regulations 2017), all schools must be treated on an equivalent basis. Merton does not treat voluntary aided schools, foundation schools or academies differently from other maintained schools in the services they provide to them and do not charge for services that are provided free of charge to community and voluntary controlled schools and paid for out of the centrally held DSG. This does not include funding that has been retained centrally from maintained school budgets only (as set out in Schedule 2, Parts 6 and 7), see section 2.4.
- 3.6.3 The amount of the CSSB that is allocated to these statutory education services for 2019/20 is £410,880, the same as in 2018/19, and will be transferred to Merton’s general fund to execute these duties, as last year.

4 Early Years Block funding

4.1 Current overview

- 4.1.1 This block includes some centrally-retained items, but the majority (95%) is paid directly by local authorities to all Early Years providers, including academies and maintained schools, through the Early Years Single Funding Formula (EYSFF). Funding via the local formula is calculated by multiplying a base rate by the number of hours of provision counted on a termly basis (a minimum of 3 times a year). Early Years formula funding is based on actual hours of take up, using a headcount for each funding period.
- 4.1.2 In Merton, for 3 and 4 year-olds, there is a single base rate applicable across the whole sector, a mandatory supplement for deprivation and a discretionary supplement for sparsity. The Early Years Pupil Premium (EYPP) sits outside the formula and is paid through the termly headcount process based on actual take up. The Disability Access Fund (DAF) is paid as a lump sum outside the formula as a lump sum.
- 4.1.3 Funding for eligible 2 year-olds is provided at a fixed hourly rate and is also calculated by multiplying a base rate by the number of hours of provision counted on a termly basis (a minimum of 3 times a year). EYSFF is based on actual hours of take up, using a headcount for each funding period based on actual numbers during the current year, as for 3 and 4 year-olds.

4.2 Overview of funding

- 4.2.1 The funding to settings comes mainly through three grants: The Early Years DSG is the largest grant and is the focus of this consultation. The allocation of Early Years Pupil Premium (EYPP) and the Disability Access Fund (DAF) are based on Central Government calculations and are child (pupil) led.
- 4.2.2 Local authorities set their own local Early Years Funding Formulae, within parameters set down by Government.
- 4.2.3 For 3 and 4 year olds, there are two compulsory factors that must be used in the formula:
- Basic rate per child/pupil based on an hourly rate
 - Deprivation
- 4.2.4 There are also 4 optional supplementary factors as detailed below:
- Rurality/sparsity
 - Flexibility
 - Quality
 - English as an Additional Language (EAL)
- 4.2.5 The total sum of supplements must not be greater than 10% of the high pass through rate to settings, resulting in a “cap” on the total amount within the formula that can be allocated to supplements.
- 4.2.6 Local authorities must allocate at least 95% from 2019/20 of the delegated Early Years block funding through child/pupil-led factors; that is, the two compulsory factors any optional supplements and the new SEN Inclusion Fund (SENIF). The high pass through rate also includes any contingency funding that has been held back.
- 4.2.7 The 2 year old budget is received as a separate allocation within the Early Years DSG, and there is a requirement to have a single base rate only, with no requirement for compulsory or discretionary elements. There are no SENIF or high pass through requirements, or separate EYPP and DAF grants.
- 4.2.8 The following sections detail the factors Merton Council currently uses, and proposes to

use, in order to allocate the Early Years block funding through the Funding Formula to arrive at individual provider budgets, and centrally retained items.

4.3 Formula Factors

Table 11: Funding Formula Factors 2019/20

| Factor | Current Formula | Proposed Formula | Mandatory/Discretionary | Proposed change |
|--|--|------------------|---|-----------------|
| Base Rate 3 and 4 year olds | 1 x base rate applicable across the whole sector | No change | Mandatory | No |
| Rationale | A single base rate enables equity of funding and supports stabilisation of universal entitlement (15 hours) places and growth in provision of the extended entitlement (additional 15 hours). | | | |
| Deprivation | FSM eligibility | No change | Mandatory (3 and 4 year olds only – discretionary on which measure) | Yes |
| Rationale | EYPP eligibility enables an increased unit rate for children living in workless households and aims to encourage take up of EYPP. | | | |
| EAL | No – is allowable | No change | Discretionary | No |
| Rationale | This is a discretionary supplement. The existing formula, arrived at after previous consultation, does not include an EAL supplement. Targeting resource via the deprivation supplement, the EYPP, and the new SEN Inclusion Fund is intended to support children who are at risk of poor outcomes. To note: any supplement within a formula must be funded through either a reduction in the base rate, a reduction of the other supplements or from contingency. | | | |
| Rurality/sparsity (LAs to frame as they see fit) | Yes | No change | Discretionary | No |
| Rationale | Due to the mandatory change to a single base rate, childminders experience a drop in their base rate. This supplement is for childminders only, supporting take-up of both the universal and extended entitlement. Applicable to 3 and 4- year-old places only. | | | |
| Flexibility | No – is allowable | No change | Discretionary | No |
| Rationale | This is a discretionary supplement. The existing formula, arrived at after previous consultation, does not include a flexibility supplement. Merton Council does not propose a flexibility supplement in the new local formula as there is sufficient flexible provision across a mixed market. This will be reviewed each year in accordance with the Childcare Sufficiency Assessment. To note: any supplement within a formula must be funded through either a reduction in the base rate, a reduction of the other supplements or from contingency. | | | |
| Quality Qualification and systems leadership | No – is allowable | No change | Discretionary | No |
| Rationale | This is a discretionary supplement. The existing formula, arrived at after previous consultation, does not include a quality supplement. Merton Council does not propose an additional quality supplement in the new formula. Monitoring of the quality premium in relation to qualifications/workforce cannot be audited in a way that is cost-effective or shows evidence for how it improves outcomes. However, a systems leadership approach, utilising outstanding settings, could be considered in the future. To note: any supplement within a formula must be funded through either a reduction in the base rate, a reduction of the other supplements or from contingency | | | |
| Base rate 2-year-olds | 1 x base rate | No change | Mandatory | No |
| Rationale | No change proposed in base rate as Merton meets regulations. No intentions to move funding between age groups. | | | |

- 4.3.1 **Base rate:** The Government has stated that there must be a single base rate by 2019/20 for 3 and 4-year-olds. Merton Council introduced a single base rate in 2017/18.
- 4.3.2 **Supplements in the formula:** Following consultation in previous years, decisions have been taken to keep the formula supplements as simple as possible, minimising turbulence (changes to pupil profiles affects overall funding to providers) and bureaucracy (auditing/compliance).
- 4.3.3 Proposals for this year are to continue to maintain a simple formula with minimal supplements, and Merton are not proposing any changes.
- 4.3.4 **Additional elements that make up the high pass through rate:** There are two extra elements that make up the 95% high pass through rate in addition to the formula. This is the Special Educational Needs Inclusion Fund (SENIF) and contingency.
- 4.3.5 Special Educational Needs Inclusion Fund (SENIF) - Local authorities are required to have SEN Inclusion Funds for all three and four year olds with special educational needs (SEN) who are taking up the free entitlements. These funds are intended to support local authorities to work with providers to address the needs of individual children with SEN. This fund will also support local authorities to undertake their responsibilities to strategically commission SEN services as required under the Children and Families Act 2014. LAs should target SEN Inclusion Funds at children with lower level or emerging SEN. Children with more complex needs and those in receipt of an Education, Health and Care Plan (EHCP) continue to be eligible to receive funding via the High Needs Block of the DSG. The value of the fund must take into account the number of children with SEN in the local area, their level of need, and the overall capacity of the local childcare market to support these children. Local authorities must consult with early years providers to set the value of their local SENIF.
- 4.3.6 The SENIF, whilst not an allowable supplement within the formula, is included within the 95% high pass through rate. There is a requirement to publish the value of the fund each year. The value of the mandatory SENIF for 2019/20 will be based on:
- Summer 2018 headcount claims (UE and EE and notional SEN allocation towards EHCP)
 - Autumn 2018 headcount claims (UE and EE and notional SEN allocation towards EHCP)
 - January 2018 headcount claims (UE and EE and notional SEN allocation towards EHCP)
 - a new tier (level 1d) of funding for special schools/specialist assessment nursery provision whilst the child is being assessed (no EHCP in place equivalent to 12 places)
- 4.3.7 Contingencies form part of the high rate pass through, and are held centrally to ensure an amount of resource is held back to accommodate any possible growth in SENIF or the deprivation supplement due to an increase in take-up within these cohorts of children. It is proposed that any funds remaining in the contingency is distributed across the sector at the end of the year.
- 4.3.8 The Government have retained the current funding formula for 2-year-olds, which is a single hourly rate. Local authorities can move funds between allocation blocks for 2 year-old funding and 3 and 4 year-old funding. However, Merton Council currently has no intention of moving funds between blocks.

4.3.9 There is no requirement for LAs to have a SENIF for 2 year olds, however, in Merton there is a discretionary 2 year old SENIF. The value of the SENIF for 2019/20 will be based on:

- Summer 2018 headcount claims (UE and EE and notional SEN allocation towards EHCP)
- Autumn 2018 headcount claims (UE and EE and notional SEN allocation towards EHCP)
- January 2018 headcount claims (UE and EE and notional SEN allocation towards EHCP)
- a new tier (level1d) of funding for special schools/specialist assessment nursery provision whilst the child is being assessed (no EHCP in place, equivalent to 8 places)

4.4 Funding outside of the formula for 3 and 4 year olds

4.4.1 Additional funding continues to be provided to LAs in order to support disadvantaged pupils through the EYPP and to support access for children with disabilities via the Disability Access Fund (DAF).

4.4.2 The EYPP and DAF are distinct from the NFF and are separate funding streams. Funding is based on actual take up.

4.5 Centrally retained items

4.5.1 A new limit for centrally retained items of 5% has been set by the DfE. The items below will continue to be funded via the retained element, based on the anticipated percentage of the total budget.

4.5.2 In 2018/19 centrally retained items total £786,240 (967,530 in 2017/18). This is used to fund continuous improvement with a focus on settings requiring improvement, training and workforce development, inclusion and early intervention work with settings supporting children with SEND and/or other additional needs, plus management and administration.

4.5.3 LAs have the opportunity to charge for applicable services. Merton Council is not proposing at this stage to charge for support and guidance and inclusion work in settings. We continue to charge for training courses, membership of the Continuous Improvement Framework and bespoke on-site provider support, however this is not at full cost recovery.

4.5.4 Schools forum approval is required for the overall centrally retained items of the Early Years block.

4.6 Minimum Funding Guarantee (MFG)

4.6.1 MFG is a prescribed per-pupil formula which protects the reduction in an individual budget on a per-pupil basis. There is no MFG for Early Years due to the introduction of the high pass through rate.

4.7 Administration, data collection and payments

4.7.1 Merton Council is exploring possible off the shelf solutions/databases which would mean a move to a separate electronic early years collection across the sector. In identifying this solution, monthly payments to non-maintained school providers will be considered to ensure compliance with the September 2018 Government guidance timescales. Further information on this will be communicated through the usual channels, once we are

clearer about the new system requirements. If required a further consultation will take place if there is a proposed change from the current process of 80% up front funding at the beginning of the term and subsequent payments based on headcount, to a monthly payment system.

4.8 Indicative Budgets

- 4.8.1 Providers will be allocated an indicative budget based on the previous year's headcounts/claims of May 2018, October 2018 and January 2018. (Settings will be asked to confirm their anticipated numbers for all 3 terms in light of the changes mid-year (i.e. there was no Extended Entitlement in May 2017).

4.9 Responding to the proposals

- 4.9.1 If you would like to make comments on any of the proposals relating to the Early Years funding, please do so in the appropriate section of the Feedback Questionnaire.

5. High Needs Block (HNB) funding

5.1 Background

- 5.1.1 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.
- 5.1.2 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, because of exclusion, illness or other reasons, cannot receive their education in mainstream schools.
- 5.1.3 For 2019/20, as well as including relevant data updates, two key aspects of the formula could enable local authorities to see further increases in their high needs funding allocations, subject to changes in pupil and student numbers and their movement between local authorities (captured by the basic entitlement factor update, and import export adjustment). These two elements in the formula are:
- the funding floor: the funding floor will increase so all authorities will attract at least a 1% gain per head of population, subject to changes in estimated population, against their 2017/18 baselines (0.5% for 2018/19).
 - gains under the formula: the gains cap will increase to 6.09% compared to 2017 to 2018 baselines. We have used compounded figures so that underfunded local authorities can gain a further 3% on top of the 3% they gained in 2018 to 2019.
- 5.1.4 As Merton is a loser rather than a gainer under the HNB NFF, we will only see a 0.5% increase in funding which does not come close to funding our overall 17.6% increase in EHCP caseload. Table 12 below shows Merton's increase in EHCPs over the past four years.

Table 12: Merton's EHCP caseload

| Type of Provision | Jan 2015 (Statements and EHCPs) | | Jan 2016 (Statements and EHCPs) | | Jan 2017 (Statements and EHCPs) | | Jan 2018 (Statements and EHCPs) | |
|---|------------------------------------|-------------|------------------------------------|-------------|------------------------------------|-------------|------------------------------------|-------------|
| | No. | % | No. | % | No. | % | No. | % |
| Mainstream School (Inc. Academies) | 456 | 44% | 423 | 39% | 432 | 34% | 526 | 35% |
| State Funded Special School | 338 | 32% | 354 | 33% | 386 | 31% | 415 | 28% |
| Independent/Non-Maintained Provision (including Other Independent Special Schools) | 119 | 11% | 145 | 13% | 178 | 14% | 217 | 15% |
| ARP (Additional Resourced Provision) | 113 | 11% | 108 | 10% | 137 | 11% | 116 | 8% |
| Further Education | 0 | 0% | 20 | 2% | 97 | 8% | 164 | 11% |
| Early Years (Inc. Private & Voluntary Settings) | 4 | 0% | 5 | 0% | 2 | 0% | 7 | 0% |
| Other (including children Educated at Home, Pupil Referral Units and Secure Units) | 15 | 1% | 23 | 2% | 32 | 3% | 41 | 3% |
| Total | 1045 | 100% | 1078 | 100% | 1264 | 100% | 1486 | 100% |

- 5.1.5 Table 13 shows how Merton's High Needs Block funding is distributed. Details of items can be found in section 5.2 of this report.

Table 13: High Needs Block funding

| Description | Amount 2018/19 £000 | Amount 2017/18 £000 |
|---|---------------------------|---------------------------|
| Mainstream settings (Individual SEN statements) | 3,710 | 3,468 |
| Specialist SEN and LDD settings (Including ARP and special schools) | 10,630 | 10,710 |
| Pupil Referral Unit (PRU) | 1,800 | 1,788 |
| Centrally retained High Needs funding for all phases | 13,921 | 13,903 |
| Post 16 | 2,060 | 2,060 |
| One-off transfer from Schools Block | (500) | 0 |
| Total Centrally retained funding | 31,621 | 31,929 |

5.2 High Needs Block details

5.2.1 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 EHCP is processed. Merton manages top-up funding through a banding model. Tables 14, 15 and 16 below detail Merton's band funding levels.

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

Following last year's increase, Merton will keep its band funding for 2019/20 at the same level. If the £600,000 transfer from the Schools Block to the HNB is not agreed, these banding values will need to be reviewed.

Table 14: High Needs EHCP banding levels (reception onwards)

| Band | 2019/20 | 2018/19 | 2017/18 |
|--------|---------|---------|---------|
| Band 1 | £0 | £0 | £0 |
| Band 2 | £5,805 | £5,805 | £5,691 |
| Band 3 | £7,983 | £7,983 | £7,826 |
| Band 4 | £10,160 | £10,160 | £9,961 |
| Band 5 | £12,378 | £12,378 | £12,096 |

Table 15: High Needs EHCP banding levels (2, 3 & 4 YO universal entitlement)

| Band | 2019/20 | 2018/19 | 2017/18 |
|--------|---------|---------|---------|
| Band 1 | £0 | £0 | £0 |
| Band 2 | £5,903 | £5,903 | £5,846 |
| Band 3 | £6,992 | £6,992 | £6,913 |
| Band 4 | £8,080 | £8,080 | £7,981 |
| Band 5 | £9,169 | £9,169 | £9,048 |

Table 16: High Needs EHCP banding levels (2, 3 & 4 YO extended entitlement)

| Band | 2019/20 | 2018/19 | 2017/18 |
|--------|---------|---------|---------|
| Band 1 | £0 | £0 | £0 |
| Band 2 | £9,739 | £9,739 | £9,645 |
| Band 3 | £11,536 | £11,536 | £11,406 |
| Band 4 | £13,332 | £13,332 | £13,168 |
| Band 5 | £15,129 | £15,129 | £14,929 |

Merton will continue to provide additional funding outside the main funding formula for mainstream schools and academies. During 2018/19 this methodology allocated an additional £249,949 (included in table 17 below) where more than 2.5% of a school's overall pupils had statements. Appendix K details the allocations for 2018/19.

- 5.2.2 **Specialist SEN and LDD settings:** 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.

The total for specialist SEN and LDD settings includes the school budgets for Cricket Green, Perseid, and Melrose special schools. The total budget for 2018/19 is £8,412,410. The total ARP budget for 2018/19 is £2,217,390.

There is a need to meet the forecast increase in SEN pupils including in ASD need coming through from primary schools, and there is provision in the council's capital programme for expansion of existing SEN schools and 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 extra places are 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 £52,490 in 2018/19 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.

- 5.2.3 **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 109 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.

If the income exceeds expenditure in a financial year then any surplus is currently included in the overall DSG reserve. This figure has varied over the years from £0 to c£60,000.

In addition, the Smart Centre educates pupils in year 11 as an alternative to placement on secondary school roles where this placement is deemed by secondary fair access as a more suitable placement than to have not been able to be reintegrated back into mainstream schools. The secondary schools have agreed to pay £10,200 per placement and this cost is divided equally between schools.

Any underspend from the previous year exclusion pot does not go back into the DSG reserve. Instead the collective cost of year 11 placements at SMART would be reduced by any amount unspent from the pot. This funding is from the secondary schools and is related to the excluded pupils. In this way it will be used to continue to fund these pupils' education.

- 5.2.4 **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 17: Centrally retained High Needs funding

| Description | 2018/19 £000 | 2017/18 £000 |
|---|-----------------|-----------------|
| Independent provider placements | 9,235 | 9,052 |
| Cost of Merton pupils in other LA maintained schools | 2,169 | 2,313 |
| Cost of other LA children in Merton maintained schools | (1,159) | (1,159) |
| Academy placements | 480 | 480 |
| Virtual School | 396 | 373 |
| Sensory Team | 391 | 392 |
| Schools Standards and Quality | 358 | 359 |
| Language and Learning | 354 | 354 |
| Targeted support to schools with high SEN pupil numbers | 250 | 267 |
| Education Psychology | 266 | 266 |
| Behaviour Support | 240 | 235 |
| Education Welfare | 168 | 168 |
| SEN referral & Early help 0-25 team | 165 | 164 |
| Social Inclusion | 105 | 136 |
| Vulnerable Children's Education | 123 | 123 |
| Therapy in Special schools | 112 | 112 |
| Merton Autism Outreach Service (MAOS) | 100 | 100 |
| SEN support | 81 | 81 |
| Independent hospital provision | 50 | 50 |
| Portage | 37 | 37 |
| Total Cost | 13,921 | 13,903 |

Merton CSF is undertaking a detailed analysis of pressures on Education Speech and Language Therapy. The numbers of children with packages of speech and language therapy have increased with the rise in school age EHCPs.

EHCPs in mainstream schools have increased by 17% since the service was set up and the staffing established. Not all will have packages of SaLT. The teams own records show an increase in 15% in EHCPs requiring Salt support. There has been an increase in special school Salt by 1 FTE to meet increased demand, but no mainstream school uplift.

It is a statutory expectation that Speech and Language Therapy is provided to all children where SaLT is stated in the EHCP. The increased demand on staffing created a situation in 2017/18 when not all primary schools could be covered throughout the year and the buyback was suspended. The buyback service supports work at SEN support.

Not funding this growth means that the only way to access SaLT is to request an EHCP which in turn will drive up demand. The analysis will consider where in future years it will be cost effective for the service to support FE or any other in borough provision. The initial data shows that the funding may need to increase by £73,120 for 2 FTE additional therapists posts to meet current statutory demand.

- 5.2.5 **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 ESFA.

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.

5.3 Strategic financial plan for address the High Needs Block cost pressures

- 5.3.1 Over the past 3 years Merton has increased its Additional Resourced Provision through the opening of a new ASD Unit at Hatfeild, and expanded Perseid Special School (primary age). Perseid Special School (secondary age) was completed to meet the growth for the start of the 2018/19 school year. However, these expansion plans have not been able to keep up with demand to date so there has been an increased reliance on more expensive Independent placements. . This will be further addressed with works to expand Cricket Green Special School by 56 places commencing in October 2018 with a programme planned to ensure that the additional places will start to be provided from September 2019.
- 5.3.2 The council is working across South West London to decrease the unit costs of SEN placements, with a dynamic purchasing system across the consortium.
- 5.3.3 4.2.3 The council is completing a Strategic Needs Assessment and the expansion to date including Cricket Green may slow the increase but largely not reverse it and so the council is considering further opportunities for state funded provision that may reduce reliance on more expensive Independent School Placements. These projects are at the earliest stage and currently without capital funding so even if implemented there will be a time lag in receiving the financial benefits to the High Needs Block.
- 5.3.4 Merton's directors are work with other local authorities and with London Councils to lobby central government about the insufficient funding of the DSG and the impact it has on local government finances and services.

6 Feedback Questionnaire to Merton's Schools Funding Formula 2018/19

This questionnaire must be filled in and returned by **Friday 12th October 2018** 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 relating to the formula factors

2.1.7 Schools Funding Formula options

Please indicate below which schools funding formula option you would prefer Merton to use for the 2019/20 allocation.

| | |
|---|--|
| Option A- Local Formula with additional funding through IDACI | |
| Option B- Local Formula with additional funding through Free School Meals | |
| Option C- NFF with all schools gaining at least 1% per pupil against 2017/18 baselines | |
| Option D- NFF without a 1% per pupil gain against 2017/18 baselines | |

Comments

Options from Section 2.3 relating to 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. Last year Schools Forum agreed to de-delegate all services.

| Paragraph | Service | De-delegate Yes/ No |
|-----------|---|------------------------|
| 2.3.5 | Contingencies- Schools in challenging circumstances | |
| 2.3.6 | Contingencies- Merton Strategic School Effectiveness Partnership (MSSEP) | |
| 2.3.7 | Contingencies- Tree maintenance | |
| 2.3.8 | Primary school meals management | |
| 2.3.9 | Licences and subscriptions | |
| 2.3.10 | Supply staff cost for parenting cover and public duties | |
| 2.3.11 | Support to under-performing ethnic minority groups and bilingual learners | |
| 2.3.12 | Behaviour support | |
| 2.3.14 | School Improvement | |

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

2.5 MFG percentage

The table below shows the total amount of MFG and the number of schools it will be applied to if Merton applied a 0.5%, 0.0%, -1.0% or -1.5% in the local formula.

| MFG Percentage | Option A | | Option B | | Option C | | Option D | |
|----------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | No of schools | MFG amount £ | No of schools | MFG amount £ | No of schools | MFG amount £ | No of schools | MFG amount £ |
| 0.5% | 11 | 37,504 | 3 | 22,717 | 13 | 121,411 | 13 | 323,837 |
| 0.0% | 1 | 4,444 | 1 | 13,622 | 8 | 42,238 | 11 | 235,099 |
| -1.0% | 0 | 0 | 1 | 1,391 | 1 | 4,808 | 8 | 114,970 |
| -1.5% | 0 | 0 | 0 | 0 | 1 | 2,495 | 7 | 71,560 |

Please select below which level of protection you think should be applied to schools.

| | |
|------------------------------------|--|
| Option A – Set MFG at 0.5% | |
| Option B – Set MFG at 0.0% | |
| Option C – Set MFG at -1.0% | |
| Option D – Set MFG at -1.5% | |

Comments

2.7 Transfer between blocks

For 2019/20 Merton proposes to transfer £600,000 from the Schools Block to the High Needs Block. This represents 0.49% of the indicative 2019/20 Schools Block allocation and will be used to continue to fund the increase in numbers at special schools as well as the 2% increase in top-up (banding) fees which were agreed for 2018/19.

Please state below whether you would support this transfer from the schools to the High Needs Block.

| | Yes/No |
|--|--------|
| Transfer 0.49% from the Schools Block to fund increase in numbers in special schools as well as the 2% increase in top-up (banding) fees which were agreed for 2018/19 | |

Comments

Options from Section 4 relating to the EYSFF

Questions about the Formula Factors

Funding formula for 3 and 4-year-olds

Merton Council is proposing no change to the existing EYSFF. Do you agree with this proposal?

Yes

☐

No

☐

Don't know

☐

Please provide any comments about this proposal that you would like to be considered by Merton Council and Schools Forum when setting the 2019/20 formula.

Funding formula for 2-year-olds

Merton Council intends to continue to use the funding allocation for 2-year-olds solely for this purpose and not move any funding between 2 year old and 3 and 4-year-old allocations.

Please provide any comments about this that you would like to be considered by Merton Council and Schools Forum when setting the 2019/20 formula

Questions about funding outside the formula and within the 95% high pass through rate

SEN Inclusion Fund (SENIF)

It is proposed that the value of the SENIF continue to be based on the factors as described in the document on paragraph 4.3.6. Do you agree with this proposal?

Yes

☐

No

☐

Don't know

☐

Please provide any comments about this proposal that you would like to be considered by Merton Council and Schools Forum when setting the 2019/20 formula.

Contingency

Merton Council continues to propose a contingency as part of the high pass through rate, which is allocated at the end of the year. Do you agree with this proposal?

Yes

☐

No

☐

Don't know

☐

Please provide any comments about this proposal that you would like to be considered by Merton Council and Schools Forum when setting the 2017/18 formula

Early Years retained items

Merton Council intends to retain 5% of the total budget to fund key statutory duties (administration, information, securing training for staff in the sector) support and advice to the sector, focussing on support to weaker settings and settings working with children with additional needs/SEND.

Please provide any comments about this that you would like to be considered by Merton Council and Schools Forum when setting the 2019/20 formula

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.

Merton's four proposed funding formula models

Appendix A

| School Name | 2018/19 Post De-delegation and Education functions budget | Example Allocation | | | | Increase/decrease from 2018/19 | | | |
|---|---|-------------------------------|-----------------------------|---|--|--------------------------------|-----------------------------|---|--|
| | | Option A: Local Formula IDACI | Option B: Local Formula FSM | Option C: NFF with funding floor factor | Option D: NFF without funding floor factor | Option A: Local Formula IDACI | Option B: Local Formula FSM | Option C: NFF with funding floor factor | Option D: NFF without funding floor factor |
| Bond Primary School | £1,747,965.71 | £1,808,719.14 | £1,790,547.02 | £1,786,922.81 | £1,789,768.32 | £60,753.43 | £42,581.31 | £38,957.10 | £41,802.61 |
| Dundonald Primary School | £1,314,422.27 | £1,315,149.16 | £1,317,954.05 | £1,317,245.91 | £1,296,542.04 | £726.88 | £3,531.78 | £2,823.64 | -£17,880.23 |
| Garfield Primary School | £1,707,068.49 | £1,741,625.32 | £1,739,727.89 | £1,744,900.72 | £1,747,628.91 | £34,556.83 | £32,659.40 | £37,832.23 | £40,560.42 |
| Hatfeild Primary School | £1,748,066.00 | £1,756,468.75 | £1,772,208.97 | £1,748,963.71 | £1,748,963.71 | £8,402.75 | £24,142.98 | £897.71 | £897.71 |
| Hollymount School | £1,639,988.02 | £1,643,300.72 | £1,653,134.99 | £1,631,776.40 | £1,617,948.53 | £3,312.69 | £13,146.97 | -£8,211.62 | -£22,039.49 |
| Joseph Hood Primary School | £1,341,215.01 | £1,352,380.22 | £1,359,171.98 | £1,357,631.72 | £1,357,631.72 | £11,165.21 | £17,956.97 | £16,416.71 | £16,416.71 |
| Links Primary School | £1,629,257.42 | £1,647,385.34 | £1,653,005.34 | £1,665,057.34 | £1,667,696.70 | £18,127.93 | £23,747.93 | £35,799.93 | £38,439.28 |
| Lonesome Primary School | £1,603,098.81 | £1,663,731.58 | £1,643,798.47 | £1,638,280.81 | £1,640,838.88 | £60,632.77 | £40,699.66 | £35,182.00 | £37,740.06 |
| Merton Abbey Primary School | £1,392,903.99 | £1,393,483.77 | £1,393,483.77 | £1,409,157.20 | £1,409,157.20 | £579.79 | £579.79 | £16,253.21 | £16,253.21 |
| Merton Park Primary School | £882,718.10 | £884,429.12 | £887,211.39 | £878,390.64 | £871,450.81 | £1,711.03 | £4,493.30 | -£4,327.46 | -£11,267.29 |
| Morden Primary School | £961,827.61 | £978,860.91 | £986,791.36 | £981,434.79 | £981,434.79 | £17,033.30 | £24,963.75 | £19,607.18 | £19,607.18 |
| Pelham Primary School | £1,566,876.86 | £1,576,361.93 | £1,582,165.43 | £1,567,336.38 | £1,567,336.38 | £9,485.06 | £15,288.57 | £459.51 | £459.51 |
| Haslemere Primary School | £1,800,559.51 | £1,873,309.31 | £1,846,766.65 | £1,840,542.37 | £1,843,455.05 | £72,749.80 | £46,207.14 | £39,982.86 | £42,895.54 |
| Poplar Primary School | £2,325,895.90 | £2,356,981.66 | £2,356,659.03 | £2,378,442.89 | £2,382,242.69 | £31,085.76 | £30,763.13 | £52,546.99 | £56,346.79 |
| St Mark's Primary School | £989,058.35 | £1,027,900.84 | £1,015,589.72 | £1,009,620.24 | £1,011,125.44 | £38,842.49 | £26,531.36 | £20,561.88 | £22,067.09 |
| The Sherwood School | £1,653,147.24 | £1,701,659.15 | £1,680,001.99 | £1,689,449.03 | £1,692,103.54 | £48,511.91 | £26,854.75 | £36,301.79 | £38,956.30 |
| Singlegate Primary School | £2,139,900.57 | £2,166,545.39 | £2,163,751.20 | £2,169,158.62 | £2,169,158.62 | £26,644.82 | £23,850.63 | £29,258.06 | £29,258.06 |
| Wimbledon Park Primary School | £2,381,213.40 | £2,390,416.28 | £2,402,190.08 | £2,386,726.37 | £2,348,021.08 | £9,202.89 | £20,976.69 | £5,512.97 | -£33,192.31 |
| Abbotsbury Primary School | £1,717,082.26 | £1,757,597.51 | £1,749,114.73 | £1,755,216.89 | £1,757,964.30 | £40,515.25 | £32,032.47 | £38,134.63 | £40,882.04 |
| West Wimbledon Primary School | £1,873,723.44 | £1,892,481.53 | £1,903,739.74 | £1,906,830.68 | £1,906,830.68 | £18,758.09 | £30,016.29 | £33,107.23 | £33,107.23 |
| Cranmer Primary School | £2,503,709.02 | £2,586,129.67 | £2,544,000.09 | £2,560,255.17 | £2,564,409.23 | £82,420.65 | £40,291.07 | £56,546.14 | £60,700.21 |
| Gorringe Park Primary School | £2,219,083.84 | £2,265,149.83 | £2,257,091.85 | £2,269,054.04 | £2,272,737.57 | £46,065.99 | £38,008.01 | £49,970.20 | £53,653.73 |
| Hillcross Primary School | £2,197,110.57 | £2,217,482.69 | £2,220,469.10 | £2,214,930.96 | £2,214,930.96 | £20,372.12 | £23,358.53 | £17,820.39 | £17,820.39 |
| Liberty Primary | £1,941,861.01 | £2,012,507.90 | £1,984,851.61 | £1,985,212.53 | £1,988,388.23 | £70,646.90 | £42,990.60 | £43,351.52 | £46,527.22 |
| Stanford Primary School | £1,151,790.92 | £1,177,079.54 | £1,170,939.43 | £1,176,222.76 | £1,177,974.94 | £25,288.62 | £19,148.51 | £24,431.84 | £26,184.02 |
| William Morris Primary School | £1,578,903.24 | £1,624,754.55 | £1,604,633.27 | £1,613,577.07 | £1,616,099.64 | £45,851.32 | £25,730.03 | £34,673.83 | £37,196.41 |
| Wimbledon Chase Primary School | £2,508,156.13 | £2,513,876.79 | £2,526,693.74 | £2,509,488.81 | £2,509,488.81 | £5,720.65 | £18,537.60 | £1,332.68 | £1,332.68 |
| Malmesbury Primary School | £1,754,156.95 | £1,804,652.92 | £1,805,116.58 | £1,793,026.98 | £1,795,857.96 | £50,495.97 | £50,959.64 | £38,870.04 | £41,701.01 |
| All Saints' CofE Primary School | £1,415,770.18 | £1,453,911.52 | £1,449,180.60 | £1,446,714.03 | £1,449,040.44 | £38,141.33 | £33,410.42 | £30,943.84 | £33,270.26 |
| St Matthew's CofE Primary School | £779,866.70 | £782,076.01 | £783,634.59 | £776,391.60 | £769,358.88 | £2,209.31 | £3,767.89 | -£3,475.10 | -£10,507.82 |
| Holy Trinity CofE Primary School | £1,592,534.82 | £1,601,308.66 | £1,601,894.59 | £1,589,534.89 | £1,577,246.20 | £8,773.84 | £9,359.77 | -£2,999.93 | -£15,288.62 |
| Bishop Gilpin CofE Primary School | £1,564,229.94 | £1,569,322.68 | £1,570,181.89 | £1,564,326.73 | £1,541,249.95 | £5,092.74 | £5,951.95 | £96.79 | -£22,979.99 |
| St Peter and Paul Catholic Primary School | £1,633,966.31 | £1,687,827.29 | £1,659,194.46 | £1,670,158.74 | £1,672,888.78 | £53,860.98 | £25,228.15 | £36,192.42 | £38,922.47 |
| Sacred Heart Catholic Primary School | £1,277,856.97 | £1,282,807.29 | £1,288,498.62 | £1,274,273.67 | £1,270,441.22 | £4,950.32 | £10,641.64 | -£3,583.30 | -£7,415.76 |
| St Teresa's Catholic Primary School | £1,683,157.40 | £1,734,095.81 | £1,696,208.52 | £1,720,639.45 | £1,723,461.81 | £50,938.42 | £13,051.12 | £37,482.05 | £40,304.41 |
| St Mary's Catholic Primary School | £1,636,947.22 | £1,651,845.44 | £1,644,559.55 | £1,653,853.03 | £1,653,853.03 | £14,898.22 | £7,612.32 | £16,905.80 | £16,905.80 |
| St John Fisher RC Primary School | £1,608,385.75 | £1,611,812.75 | £1,615,852.48 | £1,597,414.50 | £1,590,460.45 | £3,427.00 | £7,466.73 | -£10,971.25 | -£17,925.30 |
| The Priory CofE School | £1,566,424.65 | £1,587,003.29 | £1,588,052.84 | £1,585,621.51 | £1,585,621.51 | £20,578.64 | £21,628.18 | £19,196.86 | £19,196.86 |
| St Thomas of Canterbury Catholic Primary School | £2,293,987.65 | £2,376,319.54 | £2,336,931.68 | £2,346,132.96 | £2,350,059.02 | £82,331.89 | £42,944.03 | £52,145.31 | £56,071.36 |
| Total maintained Secondary Schools | £65,323,888.25 | £66,468,751.80 | £66,244,999.30 | £66,209,914.92 | £66,130,868.02 | £1,144,863.55 | £921,111.05 | £886,026.68 | £806,979.77 |
| | | | | | | 0 | 0 | -6 | -9 |

| School Name | 2018/19 Post De-delegation and Education functions budget | Example Allocation | | | | | | | | Increase/decrease from 2018/19 | | | |
|-------------------------------------|---|-------------------------------|----|-----------------------------|----|---|----|--|----|--------------------------------|-----------------------------|---|--|
| | | Model 1 : Local Formula IDACI | | Model 2 : Local Formula FSM | | Model 3 : NFF with funding floor factor | | Model 4 : NFF without funding floor factor | | Model 1 : Local Formula IDACI | Model 2 : Local Formula FSM | Model 3 : NFF with funding floor factor | Model 4 : NFF without funding floor factor |
| Ricards Lodge High School | £6,465,772.45 | £6,567,492.55 | 4 | £6,627,597.48 | 2 | £6,616,864.51 | 3 | £6,627,776.47 | 1 | £101,720.10 | £161,825.03 | £151,092.06 | £162,004.02 |
| Raynes Park High School | £4,855,162.55 | £4,927,752.73 | 4 | £4,993,792.50 | 1 | £4,967,774.90 | 3 | £4,975,866.25 | 2 | £72,590.18 | £138,629.95 | £112,612.35 | £120,703.70 |
| Rutlish School | £6,444,454.50 | £6,531,247.54 | 4 | £6,553,742.42 | 3 | £6,595,068.72 | 2 | £6,605,947.97 | 1 | £86,793.04 | £109,287.92 | £150,614.22 | £161,493.47 |
| Wimbledon College | £5,151,678.35 | £5,235,379.86 | 3 | £5,226,340.22 | 4 | £5,272,215.82 | 2 | £5,281,204.37 | 1 | £83,701.51 | £74,661.87 | £120,537.47 | £129,526.03 |
| Ursuline High School Wimbledon | £5,358,746.20 | £5,439,849.39 | 3 | £5,435,753.10 | 4 | £5,484,247.63 | 2 | £5,493,607.72 | 1 | £81,103.18 | £77,006.89 | £125,501.42 | £134,861.51 |
| Total maintained Secondary Schools | £28,275,814.05 | £28,701,722.06 | 18 | £28,837,225.72 | 14 | £28,936,171.57 | 12 | £28,984,402.78 | 6 | £425,908.01 | £561,411.66 | £660,357.51 | £708,588.73 |
| | | | 0 | | 1 | | 0 | | 4 | 0 | 0 | 0 | 0 |
| Benedict Primary School | £1,353,545.70 | £1,407,999.78 | 1 | £1,401,613.63 | 2 | £1,382,738.28 | 4 | £1,384,875.14 | 3 | £54,454.09 | £48,067.94 | £29,192.59 | £31,329.44 |
| Park Community School | £589,306.68 | £596,650.97 | 1 | £596,057.78 | 2 | £582,384.99 | 3 | £582,384.99 | 3 | £7,344.28 | £6,751.09 | -£6,921.69 | -£6,921.69 |
| Harris Primary Academy Merton | £1,917,209.75 | £1,975,123.21 | 1 | £1,964,978.32 | 2 | £1,959,815.29 | 4 | £1,962,937.52 | 3 | £57,913.46 | £47,768.57 | £42,605.54 | £45,727.78 |
| Beecholme Primary School | £914,705.57 | £925,652.01 | 4 | £930,063.59 | 3 | £933,464.94 | 2 | £934,838.98 | 1 | £10,946.44 | £15,358.02 | £18,759.37 | £20,133.41 |
| Aragon Primary School | £2,279,973.96 | £2,295,786.22 | 4 | £2,310,353.98 | 1 | £2,306,860.86 | 2 | £2,306,860.86 | 2 | £15,812.26 | £30,380.01 | £26,886.90 | £26,886.90 |
| Harris Academy Morden | £4,521,019.59 | £4,556,295.76 | 4 | £4,598,314.90 | 3 | £4,625,477.63 | 2 | £4,633,102.10 | 1 | £35,276.17 | £77,295.31 | £104,458.04 | £112,082.51 |
| Harris Academy Merton | £5,493,487.66 | £5,632,990.01 | 2 | £5,658,434.47 | 1 | £5,621,015.78 | 4 | £5,630,307.70 | 3 | £139,502.35 | £164,946.81 | £127,528.12 | £136,820.04 |
| St Mark's Church of England Academy | £4,151,126.79 | £4,248,260.05 | 3 | £4,265,181.95 | 1 | £4,246,770.75 | 4 | £4,253,743.03 | 2 | £97,133.27 | £114,055.16 | £95,643.97 | £102,616.24 |
| Harris Wimbledon Academy | £445,056.56 | £514,533.96 | 4 | £516,573.54 | 3 | £517,773.58 | 1 | £517,773.58 | 1 | £69,477.40 | £71,516.98 | £72,717.02 | £72,717.02 |
| Total Academy & Free Schools | £21,665,432.25 | £22,153,291.98 | 24 | £22,241,572.15 | 18 | £22,176,302.11 | 26 | £22,206,823.90 | 19 | £487,859.72 | £576,139.90 | £510,869.86 | £541,391.65 |
| | | | 3 | | 3 | | 1 | | 3 | 0 | 0 | -1 | -1 |
| Formula rounding | | £44.16 | | £12.83 | | £1,421.40 | | £1,715.29 | | £44.16 | £12.83 | £1,421.40 | £1,715.29 |
| Grand total | £115,265,134.56 | £117,323,810.00 | | £117,323,810.00 | | £117,323,810.00 | | £117,323,810.00 | | £2,058,675.44 | £2,058,675.44 | £2,058,675.44 | £2,058,675.44 |

| Factor | Further information |
|---|---|
| <p>1. Basic entitlement A compulsory factor</p> | <p>This factor assigns funding on the basis of individual pupils, with the number of pupils for each school or academy based on the October pupil census.</p> <p>Funding is allocated according to an age-weighted pupil unit (AWPU). There is a single rate for primary age pupils, which must be at least £2,000 (£3,305 in Merton for 2018/19). There may be different rates for key stage 3 and key stage 4, with a minimum of £3,000 for each (£4,326 and £5,229 respectively in Merton for 2018/19).</p> <p>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. The reception uplift will not be included in the NFF.</p> <p>Schools with reception uplift will not be financially disadvantaged in the NFF calculations as the funding will remain in their baselines.</p> |
| <p>2. Deprivation A compulsory factor</p> | <p>Local authorities can use free school meals (FSM) and/or the Income Deprivation Affecting Children Index (IDACI) to calculate the deprivation factor. Eligibility for current free school meals is measured using the previous October census, and Ever6 FSM (pupils entitled to free meals at any time in the last 6 years) from the previous January census. If using FSM, local authorities can choose to use either current FSM, Ever6 FSM, or both. Merton uses Ever6 FSM and IDACI.</p> <p>The IDACI measure uses 6 bands and different values can be attached to each band. Merton uses the same unit values for primary and secondary schools. Detailed specifications relating to the IDACI factors are available at Appendix C.</p> |
| <p>3. Prior attainment An optional factor (although it is used by nearly all local authorities).</p> | <p>The prior attainment factor acts as a proxy indicator for low level, high incidence special educational needs.</p> <p>There will be a separate weighting for new year 7 pupils which will be confirmed later in the year.</p> <p>Merton uses the prior attainment factor for both primary and secondary school allocations and will base its formula on the FSP 73 points for secondary in 2018/19 as in previous years. Primary schools will not have a weighting applied as all pupils will have been assessed under the new EFSP test. The NFF is uses FSP point 78 for secondary schools.</p> <p>Detailed specifications relating to the prior attainment factor is available at Appendix C.</p> |

| Factor | Further information |
|---|--|
| 4. Looked-After Children An optional factor | <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 LA SSDA903 return at 31 March 2018.</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>The ESFA increased the Pupil Premium Plus rates from 2018/19 from £1,900 to £2,300, rather than including a LAC factor in the NFF.</p> <p>Merton also stopped using this factor in 2018/19.</p> |
| 5. English as an additional language (EAL) An optional factor | <p>Pupils that have been identified on the October census as having a first language other than English may attract funding for up to three 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 continue to fund these pupils for 3 years in 2019/20 which is the same as the NFF.</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> |
| 7. Sparsity An optional factor | <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>None of Merton's schools are eligible for this factor.</p> |
| 8. Lump sum An optional factor (although it has been used by all local authorities) | <p>Local authorities can set a flat lump sum for all phases, or differentiate the sums for primary and secondary (and give middle schools 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's local formula uses the same lump sum of £150,000 for both phases which would continue for 2019/20.</p> |
| 9. Split sites 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 D for Merton's criteria).</p> |

| Factor | Further information |
|---|--|
| <p>10. Rates An optional factor (although it has been used by all local authorities)</p> | <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.</p> <p>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.</p> |
| <p>11. Private Finance Initiative (PFI) contracts An optional factor</p> | <p>The purpose of this factor is to support schools that 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>12. London fringe 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 and only available to Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex.</p> |
| <p>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.</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 2018/19 can automatically be used for pre-existing and newly qualified schools in 2019/20, provided that the above criteria are still met.</p> <p>Merton does not use this factor.</p> |
| <p>14. Minimum level of per pupil funding for primary and secondary schools An optional factor.</p> | <p>The purpose of this factor is to allow local authorities to provide amounts up to the minimum per pupil funding levels for primary and secondary schools</p> <p>Where local authorities choose to use this factor, any capping and scaling cannot take the school below the minimum value set in the local formula</p> <p>Local authorities should calculate the minimum per pupil level on the basis of the school's total funding; this will be set out in the APT guidance</p> |

| Factor | Further information |
|--|--|
| | <p>Local authorities who wish to reflect the NFF calculation by excluding the premises factors that have been excluded from the NFF calculation can do so through the APT and will not need to submit a disapplication.</p> <p>Merton will use these factors although funding is already set higher than this and will not have a financial impact on the formula.</p> <p>Detailed specifications relating to the minimum per pupil funding level for schools factor is available at Appendix C.</p> |
| <p>15. Funding floor factor An optional factor.</p> | <p>The purpose of this factor is to allow local authorities to reflect the NFF calculation of a minimum 1% per pupil increase over 2017/18 baselines</p> <p>If this factor is used all schools within the local authority must be protected against a baseline, even if they were not open in 2017/18</p> <p>Theoretical baselines will be published for schools which have opened, merged or split since 2017/18; local authorities wishing to amend these theoretical baselines, to take account of local knowledge can do so.</p> <p>The local authority will need to calculate a baseline for new schools that do not have a theoretical baseline.</p> <p>Merton is consulting on whether to use this factor for 2019/20.</p> <p>Detailed specifications relating to the prior attainment factor is available at Appendix C.</p> |

Income Deprivation Affecting Children Index (IDACI)

The IDACI element of the deprivation factor is based on the IDACI dataset which is published by the Department for Communities and Local Government. IDACI is a relative measure of socio-economic deprivation: an IDACI 'score' is calculated for a lower super output area (LSOA, an area with about 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing socio-economic deprivation.

The Department for Education applies a 'banding' methodology to enable the IDACI data to be used for school funding purposes. IDACI scores are grouped into seven bands, with each band representing an increase in the expected level of deprivation. We match IDACI data to pupils' home postcode data recorded in the school census in order to find the IDACI score relevant to each pupil in a school. The amount of IDACI funding received by a school depends on the IDACI scores of each pupil.

The ESFA have matched the 2015 IDACI data (the most recent update to the IDACI dataset) to pupil data from the October 2016 school census, on the basis of the LSOA of the pupil's home address. The NFF IDACI bands (also to be used by local authorities to allocate funding through IDACI in 2018/19) are set out below.

NFF IDACI bands – using pupil level data from the October 2016 schools census

| IDACI Score | IDACI band | % pupils |
|----------------------|------------|----------|
| Less than 0.2 | G | 55% |
| Between 0.2 and 0.25 | F | 10% |
| Between 0.25 and 0.3 | E | 9% |
| Between 0.3 and 0.35 | D | 8% |
| Between 0.35 and 0.4 | C | 7% |
| Between 0.4 and 0.5 | B | 8% |
| Between 0.5 and 1 | A | 3% |

For each of the bands, the proportion of pupils on the autumn 2016 census with valid IDACI scores has been aggregated to school level, with separate indicators for primary and secondary phase pupils.

Prior attainment

This factor may be applied for primary pupils identified as not achieving the expected level of development in the early years foundation stage profile (EYFSP) and for secondary pupils not reaching the expected standard in KS2 at either reading or writing or maths.

The EYFSP changed in 2013, so from 2019/20 there will be no need for a primary weighting as all primary year groups will represent results under the new framework. As this primary weighting is no longer applicable, local authorities that have been using a primary weighting should consider adjusting the unit value.

Since 2017/18, the ESFA weighted the low prior attainment factor for some secondary year groups so that those who have sat the more challenging KS2 tests (introduced in academic year 2015/16) do not have a disproportionate influence within the total for the prior attainment factor in the mainstream formula.

In 2019/20, they will carry forward the weightings they used in 2018/19 for the year 7 and year 8 cohorts, so they will apply to the year 8 and year 9 cohorts respectively. For the financial year 2019/20, the weightings will be:

- pupils in year 8 in October 2018: 58%
- pupils in year 9 in October 2018: 48%

The ESFA will also be specifying a national weighting for the new year 7 cohort in the 2019/20 Schools Block dataset. This weighting will be calculated in the same way, by scaling back the proportion of year 7 pupils identified as having low prior attainment (LPA) to a level commensurate with the number of secondary-age pupils identified as LPA in October 2015; before the new, more challenging KS2 test was introduced. They will confirm this weighting in the autumn.

The weightings will operate in the same way as last year; the number of pupils identified as having LPA in the data will be multiplied by the relevant weighting to determine the number of pupils eligible for the factor for funding purposes.

Local authorities are not able to change the weighting, but will be able to adjust their secondary LPA unit value as in previous years. This will enable local authorities, in most cases, to maintain their LPA factor at previous levels without significant turbulence.

LPA 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.

As with current funding arrangements, pupils who have not undertaken the assessment are given the overall average attainment score of their year group, so are taken into account when calculating a school's LPA rate.

The minimum per pupil funding level for schools

The NFF will provide local authorities with per pupil funding of at least £3,500 for each primary school, and £4,800 for each secondary school that has pupils in years 10 and 11, based on the school's total core funding. The KS3 rate used to calculate the minimum for middle schools has been increased to £4,600 and will also use this rate for KS3 only schools. A new minimum amount of £5,100 has also been introduced for KS4 only schools.

Local authorities can choose to include a minimum per pupil factor in their formula to allow them to implement this policy locally.

The per pupil minimum funding levels are set out below.

| School phase | 2019/20 minimum per pupil funding level |
|---------------------------|--|
| Primary school | £3,500 |
| All-through school | £4,042 A weighted average of the primary and secondary minimum per pupil funding levels that applies to every all-through school. The calculation is |

| School phase | 2019/20 minimum per pupil funding level |
|--|--|
| | $(£3,500 \times 7) + (£4,800 \times 5)$ Divided by 12 |
| Secondary school (with KS3 and KS4 pupils) | £4,800 |
| KS3 only schools | £4,600 |
| KS4 only schools | £5,100 |
| Middle schools (including secondary schools with primary year groups and exclusively KS3 or KS4 secondary year groups) | <p>Minimum per pupil funding level depends on the year groups in each school.</p> <p>If the school does not have a KS4 number on roll, the calculation is as follows:</p> $(£3,500 \times \text{number of primary year groups}) + (£4,600 \times \text{number of KS3 year groups})$ <p>This number is then divided by the total number of primary and KS3 year groups.</p> <p>If the school has KS3 and KS4 number on roll, the calculation is as follows:</p> $(£3,500 \times \text{number of primary year groups}) + (£4,800 \times \text{number of secondary year groups})$ <p>This number is then divided by the total number of year groups.</p> <p>If the school does not have a KS3 number on roll, the calculation is as follows:</p> $(£3,500 \times \text{number of primary year groups}) + (£5,100 \times \text{number of KS4 year groups})$ <p>This number is then divided by total the number of primary and KS4 year groups.</p> <p>For some schools, we do not have year group counts. For example, new and growing schools, and splits or amalgamations. In these cases, we have applied the following values:</p> <p>Primary: 7</p> <p>KS3: 3</p> <p>KS4: 2</p> |

Schools receiving the minimum per pupil factor are exempt from capping and scaling. Once capping and scaling have been applied this will not take the budgets of other schools lower than the minimum per pupil level, if the authority is using this factor.

Funding floor factor

The Secretary of State confirmed in July 2017 that the NFF will provide for at least a 1% per pupil increase in respect of each school between its 2017/18 baseline and 2019/20.

The ESFA have reflected these increases in local authority level Schools Block allocations, based on aggregated individual notional school allocations and created a new, optional factor to allow local authorities to mirror the funding floor protection against 2017/18 used in the NFF. Local authorities will continue to have the flexibility to set a positive minimum funding guarantee (MFG).

The funding floor factor will ensure that the amount a school is allocated through the local formula is at least 1% greater than the school's 2017/18 funding floor baseline. This increase will be exempt from any capping and scaling applied by the local authority through their formula.

The ESFA will pre-populate the authority proforma tool (APT) with the 2017/18 funding floor baselines used in the NFF. These baselines include the pupil led funding the school received in 2017/18 (except funding through the mobility factor), and the difference between the lump sum and sparsity funding they received in 2017/18 and the lump sum and sparsity funding they attracted under the NFF in 2018/19. These baselines do not include funding the school received through the premises factors, the mobility factor, or any one-off funding in 2017/18.

Funding through this factor will count towards the requirement for local authorities to spend a minimum of 80% of their funding through the pupil led factors.

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 four 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 | | 69,340 |
| Mid-day Supervisor | (0.11fte) | 2,500 |
| Travel | 200 days, 4 return trips per day, 1 mile per return trip, 50p per mile. | 400 |
| | | 72,240 |

| Centrally retained services | Approval required |
|--|---|
| <ul style="list-style-type: none"> • Additional school improvement services • 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 (other than those paid for by DfE) • Staff costs supply cover (e.g. long-term sickness, maternity/paternity, trade union and public duties) | <p>Has to be allocated through formula but can be de-delegated for maintained schools.</p> <p>Approval is by the relevant maintained school phase members of the Schools Forum on a line-by-line basis.</p> |
| <ul style="list-style-type: none"> • High Needs Block provision • Central licences negotiated by the Secretary of State | <p>Schools Forum approval is not required (although they should be consulted)</p> |
| <ul style="list-style-type: none"> • 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 • Admissions • Servicing of Schools Forum • Contribution to responsibilities that local authorities hold for all schools • Contribution to responsibilities that local authorities hold for maintained schools (voted on by relevant maintained school members of the forum only) | <p>Schools Forum approval is required on a line-by-line basis.</p> |
| <ul style="list-style-type: none"> • Central Early Years Block provision • Any movement of funding out of the Schools Block • Any deficit from the previous funding period that is being brought forward and is to be funded from the new financial year's schools budget (this should be specifically agreed at the time the budget is set using the latest estimated outturn position) • Any brought forward deficit on de-delegated services which is to be met by the overall schools budget | <p>Schools Forum approval is required.</p> |

| Centrally retained services | Approval required |
|---|--|
| <ul style="list-style-type: none"> • Capital expenditure funded from revenue projects must have been planned and decided on prior to April 2013; no new projects can be charged details of the remaining costs should be presented • contribution to combined budgets where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources • existing termination of employment costs costs for specific individuals must have been approved prior to April 2013; no new redundancy costs can be charged • prudential borrowing costs the commitment must have been approved prior to April 2013 details of the remaining costs should be presented • SEN transport where the schools forum agreed prior to April 2013 a contribution from the schools budget (this is now treated as part of the High Needs Block but still requires schools forum approval as a historic commitment) | <p>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).</p> |
| <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 • Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years | <p>Schools Forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools.</p> |

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.

The items highlighted in blue are the ones applicable to Merton.

ESTIMATED cost of de-delegation to each school

Appendix F

| School Name | Contingency | | | Free School Meals Eligibility | Licences and Subs | Staff Cost - Supply Cover | Equalities and Diversity Service | Behaviour Support | School Improvement | Total Proposed De-Delegation |
|--|-------------------------|----------------|---------------|-------------------------------|-------------------|---------------------------|----------------------------------|-------------------|--------------------|------------------------------|
| | Schools Causing Concern | MSSEP | Tree Mtce | | | | | | | |
| | £ | £ | £ | | | | | | | |
| BOND PRIMARY SCHOOL | 7,413 | 1,895 | 1,167 | 490 | 2,242 | 16,660 | 3,652 | 4,775 | 2,706 | 41,000 |
| Dundonald Primary School | 6,202 | 1,586 | 977 | 410 | 1,876 | 13,940 | 2,045 | 1,864 | 2,264 | 31,165 |
| GARFIELD PRIMARY SCHOOL | 7,337 | 1,876 | 1,156 | 485 | 2,219 | 16,490 | 2,958 | 4,621 | 2,678 | 39,820 |
| HATFEILD PRIMARY SCHOOL | 7,961 | 2,035 | 1,254 | 526 | 2,408 | 17,892 | 984 | 4,189 | 2,906 | 40,156 |
| HOLLYMOUNT PRIMARY | 7,810 | 1,997 | 1,230 | 516 | 2,362 | 17,552 | 1,584 | 2,166 | 2,851 | 38,069 |
| Joseph Hood Primary School | 5,843 | 1,494 | 920 | 386 | 1,768 | 13,132 | 1,426 | 3,699 | 2,133 | 30,801 |
| LINKS PRIMARY SCHOOL | 7,034 | 1,798 | 1,108 | 465 | 2,128 | 15,810 | 3,665 | 5,487 | 2,568 | 40,063 |
| LONESOME PRIMARY SCHOOL | 6,713 | 1,716 | 1,057 | 444 | 2,031 | 15,087 | 2,098 | 4,395 | 2,450 | 35,992 |
| Merton Abbey Primary School | 5,446 | 1,392 | 858 | 360 | 1,647 | 12,240 | 2,098 | 4,069 | 1,988 | 30,099 |
| MERTON PARK PRIMARY SCHOOL | 3,858 | 986 | 608 | 255 | 1,167 | 8,670 | 677 | 1,609 | 1,408 | 19,237 |
| MORDEN PRIMARY SCHOOL | 3,820 | 977 | 602 | 253 | 1,155 | 8,585 | 1,043 | 2,138 | 1,394 | 19,967 |
| PELHAM PRIMARY SCHOOL | 7,034 | 1,798 | 1,108 | 465 | 2,128 | 15,810 | 2,541 | 3,205 | 2,568 | 36,657 |
| Haslemere Primary School | 7,621 | 1,948 | 1,200 | 504 | 2,305 | 17,127 | 2,463 | 5,224 | 2,782 | 41,175 |
| Poplar Primary School | 10,590 | 2,707 | 1,668 | 700 | 3,203 | 23,800 | 3,756 | 6,348 | 3,865 | 56,637 |
| St. Mark's Primary School | 3,801 | 972 | 599 | 251 | 1,150 | 8,542 | 1,696 | 2,554 | 1,387 | 20,953 |
| The Sherwood School | 7,205 | 1,842 | 1,135 | 476 | 2,179 | 16,192 | 1,851 | 5,155 | 2,630 | 38,665 |
| SINGLEGATE PRIMARY SCHOOL | 9,776 | 2,500 | 1,540 | 646 | 2,957 | 21,972 | 3,538 | 4,849 | 3,568 | 51,346 |
| WIMBLEDON PARK PRIMARY SCHOOL | 11,724 | 2,997 | 1,847 | 775 | 3,547 | 26,350 | 1,428 | 4,033 | 4,279 | 56,980 |
| ABBOTSBURY PRIMARY SCHOOL | 7,318 | 1,871 | 1,153 | 484 | 2,214 | 16,447 | 3,295 | 4,998 | 2,671 | 40,451 |
| WEST WIMBLEDON PRIMARY | 8,434 | 2,156 | 1,328 | 558 | 2,551 | 18,955 | 2,443 | 5,419 | 3,078 | 44,922 |
| CRANMER PRIMARY SCHOOL | 11,459 | 2,930 | 1,805 | 758 | 3,466 | 25,755 | 3,350 | 6,912 | 4,183 | 60,618 |
| GORRINGE PARK PRIMARY SCHOOL | 9,947 | 2,543 | 1,567 | 658 | 3,009 | 22,355 | 4,407 | 6,402 | 3,631 | 54,517 |
| HILLCROSS PRIMARY | 10,268 | 2,625 | 1,617 | 679 | 3,106 | 23,077 | 2,505 | 5,664 | 3,748 | 53,290 |
| LIBERTY PRIMARY SCHOOL | 8,547 | 2,185 | 1,346 | 565 | 2,586 | 19,210 | 3,087 | 4,599 | 3,120 | 45,246 |
| STANFORD SCHOOL | 4,765 | 1,218 | 751 | 315 | 1,441 | 10,710 | 1,598 | 2,602 | 1,739 | 25,140 |
| WILLIAM MORRIS PRIMARY SCHOOL | 6,410 | 1,639 | 1,010 | 424 | 1,939 | 14,407 | 2,240 | 4,588 | 2,340 | 34,998 |
| WIMBLEDON CHASE PRIMARY SCHOOL | 12,008 | 3,070 | 1,891 | 794 | 3,632 | 26,987 | 4,880 | 5,150 | 4,383 | 62,795 |
| Malmesbury Primary | 7,337 | 1,876 | 1,156 | 485 | 2,219 | 16,490 | 1,604 | 5,790 | 2,678 | 39,634 |
| ALL SAINTS' C OF E PRIMARY | 5,824 | 1,489 | 917 | 385 | 1,762 | 13,090 | 1,578 | 3,376 | 2,126 | 30,547 |
| ST MATTHEW'S PRIMARY SCHOOL | 3,385 | 865 | 533 | 224 | 1,024 | 7,607 | 371 | 1,917 | 1,235 | 17,162 |
| HOLY TRINITY C\E PRIMARY | 7,772 | 1,987 | 1,224 | 514 | 2,351 | 17,467 | 1,835 | 3,313 | 2,837 | 39,300 |
| BISHOP GILPIN C OF E PRIMARY | 7,753 | 1,982 | 1,221 | 513 | 2,345 | 17,425 | 1,826 | 2,623 | 2,830 | 38,517 |
| S S PETER & PAUL CATHOLIC PRIMARY | 7,564 | 1,934 | 1,191 | 500 | 2,288 | 17,000 | 2,830 | 3,380 | 2,761 | 39,448 |
| SACRED HEART CATHOLIC PRIMARY SCHOOL | 5,976 | 1,528 | 941 | 395 | 1,808 | 13,430 | 1,329 | 3,081 | 2,181 | 30,669 |
| ST TERESA'S PRIMARY SCHOOL | 7,961 | 2,035 | 1,254 | 526 | 2,408 | 17,892 | 3,193 | 3,941 | 2,906 | 42,117 |
| ST MARY'S CATHOLIC PRIMARY SCHOOL | 7,885 | 2,016 | 1,242 | 521 | 2,385 | 17,722 | 2,956 | 3,827 | 2,878 | 41,434 |
| St John Fisher RC Primary | 7,885 | 2,016 | 1,242 | 521 | 2,385 | 17,722 | 1,768 | 3,547 | 2,878 | 39,966 |
| The Priory CE Primary School | 7,337 | 1,876 | 1,156 | 485 | 2,219 | 16,490 | 1,654 | 3,896 | 2,678 | 37,791 |
| St Thomas of Canterbury RC School | 10,590 | 2,707 | 1,668 | 700 | 3,203 | 23,800 | 4,377 | 6,499 | 3,865 | 57,410 |
| RICARDS LODGE HIGH SCHOOL | 21,917 | 5,603 | 3,452 | 0 | 6,630 | 49,257 | 1,465 | 7,061 | 8,000 | 103,385 |
| RAYNES PARK HIGH SCHOOL | 15,336 | 3,921 | 2,415 | 0 | 4,639 | 34,467 | 2,070 | 8,498 | 5,598 | 76,944 |
| Rutlish School | 21,917 | 5,603 | 3,452 | 0 | 6,630 | 49,257 | 1,399 | 9,061 | 8,000 | 105,318 |
| Wimbledon College | 18,702 | 4,781 | 2,946 | 0 | 5,657 | 42,032 | 422 | 5,403 | 6,826 | 86,770 |
| Ursuline High School | 19,647 | 5,023 | 3,094 | 0 | 5,943 | 44,157 | 777 | 4,615 | 7,171 | 90,429 |
| Expected contribution from Special Schools | 8,869 | 0 | 1,397 | 586 | 2,683 | 19,932 | 2,239 | 4,457 | 3,237 | 43,400 |
| TOTAL | 400,000 | 100,000 | 63,000 | 20,000 | 121,000 | 899,000 | 101,000 | 201,000 | 146,000 | 2,051,000 |

Former ESG duties may be funded from centrally retained Schools Block funding with agreement of schools forum

Local authorities are able to fund central services previously funded within the retained duties rate (for all schools), with the agreement of schools forum. They are also able to fund services previously funded within the general duties rate (for maintained schools only) from maintained school budgets shares with the agreement of maintained school members of the schools forum. The split of services between the two groups is shown in the table below. References are to the schedules in the current "Schools and Early Years Finance (England) Regulations".

| Central Services | |
|--|---|
| Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of Schools Forums) | Responsibilities local authorities hold for maintained schools (funded from maintained schools budgets only with agreement of the maintained school members of the Schools Forum) |
| <u>Statutory and Regulatory duties</u> | <u>Statutory and Regulatory duties</u> |
| Director of children's services and personal staff for director (Sch 2, 15a) | Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 57) |
| Planning for the education service as a whole (Sch 2, 15b) | Budgeting and accounting functions relating to maintained schools (Sch 2, 74) |
| Revenue budget preparation, preparation of information on income and expenditure relating to education, and external audit relating to education (Sch 2, 22) | Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2, 58) |
| Authorisation and monitoring of expenditure not met from schools' budget shares (Sch 2, 15c) | Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 59) |
| Formulation and review of local authority schools funding formula (Sch 2, 15d) | Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 for maintained schools (Sch 2, 60) |
| Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA 1972 except duties specifically related to maintained schools (Sch 2, 15e) | Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 61) |
| Consultation costs relating to non-staffing issues (Sch 2, 19) | Investigations of employees or potential employees, with or without remuneration to work at or for schools under the direct management of the Headteacher or governing body (Sch 2, 62) |
| Plans involving collaboration with other LA services or public/voluntary bodies (Sch 2, 15f) | Functions related to local government pensions and administration of teachers' pensions in relation to staff working at maintained schools under the direct management of the Headteacher or governing body (Sch 2, 73) |
| Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17) | |
| Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21) | |

| Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of Schools Forums) | Responsibilities local authorities hold for maintained schools (funded from maintained schools budgets only with agreement of the maintained school members of the Schools Forum) |
|--|--|
| | <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 76)</p> <p>HR duties, including: advice to schools on the management of staff, pay alterations, conditions of service and composition/organisation of staff (Sch 2, 64); determination of conditions of service for non-teaching staff (Sch 2, 65); appointment or dismissal of employee functions (Sch 2, 66)</p> <p>Consultation costs relating to staffing (Sch 2, 67)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 2, 68)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 2, 69)</p> <p>School companies (Sch 2, 70)</p> <p>Functions under the Equality Act 2010 (Sch 2, 71)</p> <p>Establish and maintaining computer systems, including data storage (Sch 2, 72)</p> <p>Appointment of governors and payment of governor expenses (Sch 2, 73)</p> |
| <p><u>Education Welfare</u></p> <p>Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils (Sch 2, 20)</p> <p>School attendance (Sch 2, 16)</p> <p>Responsibilities regarding the employment of children (Sch 2, 18)</p> | <p><u>Education Welfare</u></p> <p>Inspection of attendance registers (Sch 2, 79)</p> |
| <p><u>Asset management</u></p> <p>Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions (Sch 2, 14a)</p> | <p><u>Asset management</u></p> <p>General landlord duties for all maintained schools (Sch 2, 77a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</p> |

| Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of Schools Forums) | Responsibilities local authorities hold for maintained schools (funded from maintained schools budgets only with agreement of the maintained school members of the Schools Forum) |
|--|---|
| General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b) | <ul style="list-style-type: none"> • appropriate facilities for pupils and staff (including medical and accommodation) • the ability to sustain appropriate loads • reasonable weather resistance • safe escape routes • appropriate acoustic levels • lighting, heating and ventilation which meets the required standards • adequate water supplies and drainage • playing fields of the appropriate standards <p>General health and safety duty as an employer for employees and others who may be affected (Health and Safety at Work etc. Act 1974).</p> <p>Management of the risk from asbestos in community school buildings (Control of Asbestos Regulations 2012).</p> |
| <u>Central support services</u> No functions | <u>Central support services</u> Clothing grants (Sch 2, 53) Provision of tuition in music, or on other music-related activities (Sch 2, 54) Visual, creative and performing arts (Sch 2, 55) Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 56) |
| <u>Premature retirement and redundancy</u> No functions | <u>Premature retirement and redundancy</u> Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 78) |
| <u>Monitoring national curriculum assessment</u> No functions | <u>Monitoring national curriculum assessment</u> Monitoring of National Curriculum assessments (Sch 2, 75) |
| <u>Therapies</u> No functions | <u>Therapies</u> This is now covered in the high needs section of the regulations and does not require Schools Forum approval |

| Responsibilities local authorities hold for all schools (funded by the central school services block with the agreement of Schools Forums) | Responsibilities local authorities hold for maintained schools (funded from maintained schools budgets only with agreement of the maintained school members of the Schools Forum) |
|--|---|
| <p><u>Other ongoing duties</u></p> <p>Licences negotiated centrally by the Secretary of State for all publicly funded schools (Sch 2, 8) – this does not require schools forum approval</p> <p>Admissions (Sch 2, 9)</p> <p>Places in independent schools for non-SEN pupils (Sch 2, 10)</p> <p>Remission of boarding fees at maintained schools and academies (Sch 2, 11)</p> <p>Servicing of schools forums (Sch 2, 12)</p> <p>Back-pay for equal pay claims (Sch 2, 13)</p> <p>Writing to parents of year 9 pupils about schools with an atypical age of admission, such as UTCs and studio schools, within a reasonable travelling distance (Sch 2, 23).</p> | <p><u>Other ongoing duties</u></p> <p>No functions</p> |
| <p><u>Historic commitments</u></p> <p>Capital expenditure funded from revenue (Sch 2, 1)</p> <p>Prudential borrowing costs (Sch 2, 2(a))</p> <p>Termination of employment costs (Sch 2, 2(b))</p> <p>Contribution to combined budgets (Sch 2, 2(c))</p> | <p><u>Historic commitments</u></p> <p>No functions</p> |
| Additional note | |
| <p>Services set out in the table above will also include administrative costs and overheads relating to these services (regulation 1(4)) for:</p> <ul style="list-style-type: none"> • expenditure related to functions imposed by or under Chapter 4 of Part 2 of the 1998 Act (financing of maintained schools), the administration of grants to the authority (including preparation of applications) and, where it's the authority's duty to do so, ensuring payments are made in respect of taxation, national insurance and superannuation contributions • expenditure on recruitment, training, continuing professional development, performance management and personnel management of staff who are funded by expenditure not met from schools' budget shares and who are paid for services • expenditure in relation to the investigation and resolution of complaints • expenditure on legal services | |

Local Authority Funding Reform Proforma

| | | | |
|------------|--------|---|-----------------|
| LA Name: | Merton | Total DSG schools block allocation | £122,172,573.00 |
| LA Number: | 315 | Total Funding For Schools Block Formula as a percentage of DSG schools block allocation | 99.00% |

| Premises costs to exclude from allocation when calculating the minimum funding level | Mobility | Rates | PFI | Split Sites |
|--|--|-------|---|-------------|
| | No | No | No | No |
| Primary minimum per pupil funding level | Secondary (KS3 only) minimum per pupil funding level | | Secondary (KS4 only) minimum per pupil funding level | |
| £3,500.00 | | | Secondary (KS3 and KS4) minimum per pupil funding level | |
| | | | £4,800.00 | |

Pupil Led Factors

| 1) Basic Entitlement Age Weighted Pupil Unit (AWPU) | Reception uplift | Yes | Pupil Units | | 16.00 | | | | | |
|---|--|--------------------------|----------------------------|------------------------------------|---|-------------|-------------|---|--------------------------|----------------------------|
| | Description | Amount per pupil | | Pupil Units | | Sub Total | Total | Proportion of total pre MFG funding (%) | Notional SEN (%) | |
| | Primary (Years R-6) | £3,305.31 | | 17,115.50 | | £56,571,988 | £92,110,483 | 47.16% | 2.50% | |
| | Key Stage 3 (Years 7-9) | £4,326.74 | | 4,746.00 | | £20,534,708 | | 17.12% | 2.50% | |
| | Key Stage 4 (Years 10-11) | £5,229.62 | | 2,869.00 | | £15,003,787 | | 12.51% | 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 | FSM | | | 2,256.51 | 1,198.03 | £0 | £8,029,864 | 6.69% | 10.00% | 10.00% |
| | FSM6 | £883.35 | £893.92 | 3,542.94 | 2,342.50 | £5,223,655 | | | 10.00% | 10.00% |
| | IDACI Band F | £119.62 | £119.62 | 1,846.78 | 1,072.76 | £349,236 | | | 10.00% | 10.00% |
| | IDACI Band E | £199.37 | £199.37 | 2,480.48 | 1,174.86 | £728,757 | | | 10.00% | 10.00% |
| | IDACI Band D | £279.11 | £279.11 | 1,484.99 | 737.82 | £620,419 | | | 10.00% | 10.00% |
| | IDACI Band C | £358.86 | £358.86 | 1,075.14 | 630.85 | £612,212 | | | 10.00% | 10.00% |
| | IDACI Band B | £398.74 | £398.74 | 444.19 | 376.61 | £327,282 | | | 10.00% | 10.00% |
| | IDACI Band A | £518.36 | £518.36 | 193.41 | 131.28 | £168,302 | | | 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 17 | | | 61.95 | | £0 | £2,261,858 | 0.00% | 0.00% | |
| 4) English as an Additional Language (EAL) | EAL 3 Primary | £390.81 | | 4,555.95 | | £1,780,511 | | 1.89% | 0.00% | |
| | EAL 3 Secondary | | £1,004.93 | | 478.98 | £481,347 | | | | 0.00% |
| 5) Mobility | Pupils starting school outside of normal entry dates | | | 33.70 | 22.20 | £0 | | 0.00% | 0.00% | 0.00% |
| | Description | Weighting | Amount per pupil | Percentage of eligible pupils | 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% | £717.12 | 35.69% | 5,409.82 | £3,879,493 | £6,826,453 | 5.69% | 100.00% | |
| | Low Attainment % old FSP 73 | | | 11.03% | | | | | | |
| | Secondary low attainment (year 7) | 58.05% | 23.34% | 1,784.83 | £2,946,961 | | | | | |
| | Secondary low attainment (year 8) | 48.02% | 23.74% | | | | | | | |
| | Secondary low attainment (years 9 to 11) | | 23.37% | | | | | | | |

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 | | | £7,950,000 | 6.63% | 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 or the NFF weighting for any of the phases. | | | | | | | | | |
| Primary distance threshold (miles) | | Primary pupil number average year group threshold | | | Fixed, tapered or NFF sparsity primary lump sum? | Fixed | | | |
| Secondary distance threshold (miles) | | Secondary pupil number average year group threshold | | | Fixed, tapered or NFF sparsity secondary lump sum? | Fixed | | | |
| Middle schools distance threshold (miles) | | Middle school pupil number average year group threshold | | | Fixed, tapered or NFF sparsity middle school lump sum? | Fixed | | | |
| All-through schools distance threshold (miles) | | All-through pupil number average year group threshold | | | Fixed, tapered or NFF sparsity all-through lump sum? | Fixed | | | |
| 9) Fringe Payments | | | | | | £0 | 0.00% | | |
| 10) Split Sites | | | | | | £85,393 | 0.07% | | |
| 11) Rates | | | | | | £2,698,458 | 2.25% | | |
| 12) PFI funding | | | | | | £0 | 0.00% | | |
| 13) Exceptional circumstances (can only be used with prior agreement of ESFA) | | | | | | | | | |

| Circumstance | Total (£) | Proportion of total pre MFG funding (%) | Notional SEN (%) | |
|--|---------------------|---|--------------------------------|-------|
| Additional lump sum for schools amalgamated during FY18-19 | £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% | | |
| Exceptional Circumstance7 | £0 | 0.00% | | |
| Total Funding for Schools Block Formula (excluding minimum per pupil funding level, funding floor protection and MFG Funding Total) | £119,962,510 | 100.00% | £9,932,202 | |
| | | | | |
| 14) Additional funding to meet minimum per pupil funding level | £0 | | | |
| Total Funding for Schools Block Formula (excluding funding floor protection and MFG Funding Total) | £119,962,510 | 100.00% | £9,932,202 | |
| | | | | |
| 15) Funding floor protection (select Yes if applying this protection) | No | £0 | | |
| Total Funding for Schools Block Formula (excluding MFG Funding Total) | £119,962,510 | | | |
| | | | | |
| 16) Minimum Funding Guarantee | 0.00% | £4,444 | | |
| Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled) | No | | | |
| Apply alternative gains cap for schools gaining more than 15%? | 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) | | £4,444 | 0.00% | |
| Total Funding for Schools Block Formula | | £119,966,954 | | |
| | | | | |
| 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) | £990,000.00 | | | |
| Falling rolls fund (if applicable) | | | | |
| | | | | |
| Other Adjustment to 18-19 Budget Shares | £0 | | | |
| Total Funding For Schools Block Formula (including growth and falling rolls funding) | £120,956,954 | | | |
| % Distributed through Basic Entitlement | 76.78% | | | |
| % Pupil Led Funding | 91.05% | | | |
| Primary: Secondary Ratio | 1 : | 1.31 | | |
| | | | | |
| Total funding for schools block formula contains funding from outside of the 2019-20 Schools Block allocation? | No | | | |

Proposed Budget Setting Timetable for 2019/20**Appendix I**

This timetable shows the proposed consultation process and the key dates that must be met to ensure the 2019/20 budget can be issued to schools as soon as possible.

| Date | | Action |
|---------------|------------------|--|
| September | 20 th | Meeting of Schools Forum to discuss and agree the schools consultation document |
| September | 24 th | Email electronic copy of consultation document to all Head Teachers |
| October | 4 th | School Census date |
| October | 12 th | Closing Date for the Schools Consultation |
| October | 31 st | Outcome of the consultation considered by the Forum |
| Mid- December | | Publication of DSG Schools Block and High Needs Block allocations for 2019/20 (prior to academy recoupment and HNB adjustments). |
| January | 21 st | Submit final data for Schools Budget proforma to EFA |
| January | 29 th | Schools Forum review Schools Budgets |
| February | 4 th | Final budgets are distributed to schools |

- Under the High Needs funding arrangements which came into effect from 1st April 2013, schools are expected to contribute the first £6,000 of additional educational support for High Needs pupils and students. 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. Merton will provide this budget for maintained schools while the EFA will provide it for Academies. The notional SEN will comprise three elements as detailed below.

| Formula factor | Current | 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 the first 15 hours of support 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. In April 2014 Merton introduced a formula allocating additional funding to schools where more than 2.5% of their overall pupils as at the October count have statements.
- 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 is used to make top-up payments based on bandings similar to how this was done under the previous arrangements.
- 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 Low Cost, High Incidence SEN factor. 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 effective from 2013/14.

| Band | 2018/19 | 2013/14 | 2012/13 |
|-------|-------------------------------------|-------------------------------------|----------------------------------|
| Band1 | Part of £6,000 notional SEN funding | Part of £6,000 notional SEN funding | Part of 15h notional SEN funding |

| | | | |
|--------|---------|---------|---------|
| Band 2 | £5,805 | £5,691 | £7,472 |
| Band 3 | £7,983 | £7,826 | £9,607 |
| Band 4 | £10,160 | £9,961 | £11,742 |
| Band 5 | £12,338 | £12,096 | £13,877 |

8. Under the High Needs Block 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 to resource a post to continue to manage this funding on schools behalf. This was done to reduce the administration and cash flow risk for schools.

Additional funding for schools supporting high numbers of SEN pupils Appendix K

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

| URN | LAESTAB | School Name | NOR 2018-19 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 | | | 24,731 | 441 | 1.78% | 2.50% | 42 | 249,949 |
| 102626 | 3152052 | BOND PRIMARY SCHOOL | 392 | 2 | 0.51% | 0.00% | 0.00 | 0 |
| 102628 | 3152055 | Dundonald Primary School | 328 | 3 | 0.91% | 0.00% | 0.00 | 0 |
| 102629 | 3152056 | GARFIELD PRIMARY SCHOOL | 388 | 3 | 0.77% | 0.00% | 0.00 | 0 |
| 102631 | 3152058 | HATFIELD PRIMARY SCHOOL | 421 | 9 | 2.14% | 0.00% | 0.00 | 0 |
| 102632 | 3152059 | HOLLYMOUNT PRIMARY | 413 | 5 | 1.21% | 0.00% | 0.00 | 0 |
| 102633 | 3152061 | Joseph Hood Primary School | 309 | 3 | 0.97% | 0.00% | 0.00 | 0 |
| 102634 | 3152062 | LINKS PRIMARY SCHOOL | 372 | 11 | 2.96% | 0.46% | 1.71 | 10,267 |
| 102635 | 3152063 | LONESOME PRIMARY SCHOOL | 355 | 2 | 0.56% | 0.00% | 0.00 | 0 |
| 102636 | 3152064 | Merton Abbey Primary School | 288 | 3 | 1.04% | 0.00% | 0.00 | 0 |
| 102638 | 3152066 | MERTON PARK PRIMARY SCHOOL | 204 | 7 | 3.43% | 0.93% | 1.90 | 11,383 |
| 102639 | 3152067 | MORDEN PRIMARY SCHOOL | 202 | 4 | 1.98% | 0.00% | 0.00 | 0 |
| 102640 | 3152068 | PELHAM PRIMARY SCHOOL | 372 | 7 | 1.88% | 0.00% | 0.00 | 0 |
| 102642 | 3152070 | Haslemere Primary School | 403 | 7 | 1.74% | 0.00% | 0.00 | 0 |
| 102643 | 3152071 | Poplar Primary School | 560 | 11 | 1.96% | 0.00% | 0.00 | 0 |
| 102644 | 3152072 | St. Mark's Primary School | 201 | 6 | 2.99% | 0.49% | 0.98 | 5,909 |
| 102645 | 3152073 | The Sherwood School | 381 | 7 | 1.84% | 0.00% | 0.00 | 0 |
| 102646 | 3152074 | SINGLEGATE PRIMARY SCHOOL | 517 | 5 | 0.97% | 0.00% | 0.00 | 0 |
| 102647 | 3152075 | WIMBLEDON PARK PRIMARY SCHOOL | 620 | 11 | 1.77% | 0.00% | 0.00 | 0 |
| 102648 | 3152076 | ABBOTSBURY PRIMARY SCHOOL | 387 | 7 | 1.81% | 0.00% | 0.00 | 0 |
| 102649 | 3152077 | WEST WIMBLEDON PRIMARY | 446 | 6 | 1.35% | 0.00% | 0.00 | 0 |
| 102652 | 3152081 | CRANMER PRIMARY SCHOOL | 606 | 14 | 2.31% | 0.00% | 0.00 | 0 |
| 102653 | 3152082 | GORRINGE PARK PRIMARY SCHOOL | 526 | 3 | 0.57% | 0.00% | 0.00 | 0 |
| 102654 | 3152083 | HILLCROSS PRIMARY | 543 | 11 | 2.03% | 0.00% | 0.00 | 0 |
| 102655 | 3152084 | LIBERTY PRIMARY SCHOOL | 452 | 3 | 0.66% | 0.00% | 0.00 | 0 |
| 102656 | 3152085 | STANFORD SCHOOL | 252 | 6 | 2.38% | 0.00% | 0.00 | 0 |
| 102660 | 3152089 | WILLIAM MORRIS PRIMARY SCHOOL | 339 | 5 | 1.47% | 0.00% | 0.00 | 0 |
| 102661 | 3152090 | WIMBLEDON CHASE PRIMARY SCHOOL | 635 | 18 | 2.83% | 0.33% | 2.10 | 12,573 |
| 102662 | 3152091 | Malmesbury Primary | 388 | 4 | 1.03% | 0.00% | 0.00 | 0 |
| 132167 | 3152094 | ALL SAINTS' C OF E PRIMARY | 308 | 8 | 2.60% | 0.10% | 0.31 | 1,848 |
| 102663 | 3153300 | ST MATTHEW'S PRIMARY SCHOOL | 179 | 2 | 1.12% | 0.00% | 0.00 | 0 |
| 102664 | 3153302 | HOLY TRINITY C/E PRIMARY | 411 | 6 | 1.46% | 0.00% | 0.00 | 0 |
| 102665 | 3153303 | BISHOP GILPIN C OF E PRIMARY | 410 | 8 | 1.95% | 0.00% | 0.00 | 0 |
| 102666 | 3153304 | S S PETER & PAUL CATHOLIC PRIMARY | 400 | 11 | 2.75% | 0.25% | 1.00 | 6,000 |
| 102667 | 3153500 | SACRED HEART CATHOLIC PRIMARY SCHOOL | 316 | 2 | 0.63% | 0.00% | 0.00 | 0 |
| 102668 | 3153501 | ST TERESA'S PRIMARY SCHOOL | 421 | 0 | 0.00% | 0.00% | 0.00 | 0 |
| 102669 | 3153502 | ST MARY'S CATHOLIC PRIMARY SCHOOL | 417 | 6 | 1.44% | 0.00% | 0.00 | 0 |
| 102670 | 3153503 | St John Fisher RC Primary | 417 | 11 | 2.64% | 0.14% | 0.58 | 3,503 |
| 102671 | 3153505 | The Priory CE Primary School | 388 | 7 | 1.80% | 0.00% | 0.00 | 0 |
| 102672 | 3153506 | St Thomas of Canterbury RC School | 560 | 6 | 1.07% | 0.00% | 0.00 | 0 |
| 133774 | 3153507 | RICARDS LODGE HIGH SCHOOL | 1159 | 15 | 1.29% | 0.00% | 0.00 | 0 |
| 102673 | 3154050 | RAYNES PARK HIGH SCHOOL | 811 | 31 | 3.82% | 1.32% | 10.71 | 64,231 |
| 102674 | 3154052 | Rutlish School | 1159 | 26 | 2.24% | 0.00% | 0.00 | 0 |
| 102679 | 3154500 | Wimbledon College | 989 | 46 | 4.65% | 2.15% | 21.26 | 127,581 |
| 102681 | 3154701 | Ursuline High School Wimbledon | 1039 | 21 | 2.02% | 0.00% | 0.00 | 0 |
| 102683 | 3155400 | BENEDICT PRIMARY SCHOOL | 283 | 3 | 1.06% | 0.00% | 0.00 | 0 |
| 140187 | 3152000 | Park Community School | 116 | 4 | 3.46% | 0.96% | 1.11 | 6,653 |
| 141027 | 3152001 | Harris Primary Academy Merton | 438 | 5 | 1.14% | 0.00% | 0.00 | 0 |
| 141143 | 3152002 | Beecholme Primary School | 191 | 4 | 2.09% | 0.00% | 0.00 | 0 |
| 132169 | 3152092 | Aragon Primary | 561 | 2 | 0.36% | 0.00% | 0.00 | 0 |
| 138495 | 3154000 | Harris Academy Morden | 754 | 12 | 1.59% | 0.00% | 0.00 | 0 |
| 131897 | 3156905 | Harris Academy Merton | 966 | 13 | 1.35% | 0.00% | 0.00 | 0 |
| 134003 | 3156906 | St Mark's C O E Academy | 668 | 9 | 1.35% | 0.00% | 0.00 | 0 |
| 315999 | 3159999 | Harris Wimbledon Academy | 70 | | 0.00% | 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.