
Consultation Document For the 2018/19 Schools and Early Years Funding Formulas

October 2017

Children, Schools and Families

Director: Yvette Stanley



MERTON'S SCHOOL FUNDING FORMULA

CONSULTATION ON 2018-19 BUDGET

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1. Introduction and Background

1.1 Introduction

1.1.1 School funding forms part of the Education Service of the Children, Schools and Families Department at Merton Council. The department is headed by the Director, Yvette Stanley, and it comprises 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 2015 to consult their Schools Forum, maintained schools and academies about any proposed changes to the schools formula in relation to the factors and criteria taken into account, and the methods, principles and rules adopted.

1.1.3 The main aim of this consultation is to inform Schools Forum members of the views held by their constituents in order to aid decision making on de-delegation and recommendations in relation to Merton's 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 Financial Regulations, Controls and Procedures
- Section 7 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 2018/19 and 2019/20, local authorities will continue to determine final funding allocations for schools through a local formula. In 2018/19 and 2019/20, the national funding formula will set notional allocations for each school, which will be aggregated and used to calculate the total schools block received by each local authority.

1.2.3 There are a number of significant changes to the funding system this year:

- The central school services block (CSSB) has been created. Local authorities will be allocated funding for central school services through the new CSSB. This will comprise funding for ongoing responsibilities and a cash sum for historic commitments. The DSG therefore now comprises four blocks: schools, high needs, early years and the new central school services block.
- Each of the four blocks of the DSG will be determined by a separate national funding formula. National funding formulae will determine local authorities' schools, high

needs and central school services blocks for the first time in 2018/19. Funding for early years has been allocated through a national funding formula since 2017/18.

- Baselines have been adjusted to take account of local authorities' most recent spending patterns. The ESFA undertook an exercise to re-baseline the blocks of the DSG for each local authority. This enabled them to ensure that the national spend on each block in 2018/19 (the totals distributed through the schools, high needs and central school services formulae) reflects the pattern of 2017/18 planned spending by local authorities within their overall DSG allocation, and that local authorities are protected against what they planned to spend in 2017/18 on each block. The overall movement between blocks nets to zero.
- Within the schools block, the Government will provide for at least a 0.5% per pupil increase for each school in 2018/19 through the national funding formula. Local authorities' schools block allocations will be calculated by aggregating schools' notional allocations under the national funding formula and these notional allocations will reflect these increases. Schools block allocations will be expressed as separate per pupil primary and secondary rates for each local authority. They will also include funding at local authority level for premises, mobility and growth, based on historic spend.
- The formula will provide local authorities with per pupil funding of at least £4,800 for all secondary schools that have pupils in years 10 and 11 by 2019/20. A new factor will be allowed in local authority formulae so they can set a transitional amount of per pupil funding in 2018/19, as a step towards £4,800 in 2019/20.
- Within the high needs block, the Government will provide for at least a 0.5% overall increase in 2018/19 through the high needs national funding formula. 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, but local authorities will have the flexibility to set a local MFG between 0% and minus 1.5% per pupil. In past years, the MFG has been set at minus 1.5% per pupil. In 2018/19, the ESFA is introducing flexibility for local authorities to set a local MFG between 0% and minus 1.5% per pupil. Local authorities can use the flexibility to offer higher levels of protection locally.
- The schools block will be ring-fenced from 2018/19, but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum. Local authorities will be expected to demonstrate to their schools forum that they have consulted locally with all maintained schools and academies when seeking agreement to transfer any funding out of the schools block. There will be 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 will be strongly encouraged to consult their schools and agree with their schools forum any other proposal to move funding between blocks.
- Local authorities can now use both current free school meals and "ever 6" free school meals measures within their deprivation factors (previously we have been able to use one of these measures, but not both).

- The Pupil Premium Plus rates for 2018/19 will be increased rather than including a looked-after children factor in the national funding formula. Merton is planning to reflect this in our local formula.
 - There will no longer be a deduction to schools block pupil numbers for high needs places in mainstream schools. Instead, the school's budget share (or the equivalent academy funding) will be determined on the basis of the total number of pupils on the roll of the school, including those in the special unit or resourced provision. An adjustment has been made between the high needs block and schools block for each local authority to reflect this change.
- 1.2.4 We are expecting the Early Years Block per pupil unit of funding for 2018/19 to be as was confirmed in December 2016 following the consultation.
- 1.2.5 The DfE will consult on revisions to the School and Early Years Finance (England) Regulations to give effect to decisions set out in the announcement for 2018/19 and those proposals are reflected in this consultation.
- 1.2.6 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.
- 1.2.7 As we are moving towards a hard national funding formula, de-delegation is currently expected to cease from 2020/21. We will consult with Head teachers over the next year around setting up SLAs for previously de-delegated items.
- 1.2.8 The response to the Government's *Early years funding – changes to funding for three and four-year-olds* consultation was published in December 2016 with associated Operational Guidance and Technical Notes. Further operational guidance has continued to be published, and the latest version is dated July 2017.
- 1.2.9 The key points of the new funding arrangements and policy were:
- A high pass through rate of 95% (phased from 93% in 2017 – 2018)
 - Local universal base rate, the funding rates for both the universal and extended entitlement are the same
 - Compulsory elements of the EYSFF are required and there is local flexibility to include discretionary elements (only from a suite of items as specified)
 - Requirement for a new SEN Inclusion Fund (within the high pass through rate)
 - Grant funding in addition to the EYSFF: Early Years Pupil Premium (EYPP) and Disability Access Fund (DAF)
 - No changes to funding for 2 year olds
- 1.2.10 The Early Years Block of the Dedicated Schools Grant (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.

- 1.2.11 The Early Years Block of the DSG continues to be funded 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 2017 child numbers (2017- to cover the period April – August) and 7/12th of the following January child numbers (2018 - to cover the September – March period), to acknowledge any in-year changes in child numbers. For the Extended Entitlement, Government intends final allocations for 2018 – 2019 to be based on child numbers recorded in the January 2018 census.
- 1.2.12 Local authority EYPP allocations for 2018-19 will be updated twice. They will first be updated based on the January 2017 census PTE number of eligible children. Then, local authority final EYPP allocations will be calculated as a weighted average of January 2017 census eligible PTE counts (weighted 5/12th) and January 2018 figures (weighted 7/12th).
- 1.2.13 Merton Council will continue to monitor the supply 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, 3 and 4.

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	2017/18 Amount £000	2016/17 Amount £000
Dedicated Schools Grant (DSG)	144,374	139,268
Pupil Premium	6,045	5,909
Post 16 mainstream funding (6 th form)	5,507	5,425
Universal infant free school meals	2,280	2,347

- 2.1.2 As in previous years, this consultation cannot inform schools what their budgets will be for 2018/19, but will use 2017/18 grant data to reflect any proposed formula changes in order to demonstrate how funding will change from 2017/18 to 2018/19.
- 2.1.3 Table 2 below shows how the total DSG for 2017/18 was split between the four funding blocks. The updated split takes account of the transfer agreed at Schools Forum last year to reflect Merton's latest spending patterns.

Table 2: Split of DSG over the four blocks

Block	2017/18 Updated Amount £000	2017/18 Original Amount £000	2016/17 Amount £000
Schools Block	97,024	98,273	97,365
Central Schools Services Block	999	0	0
Early Years Block	14,422	14,422	10,754
High Needs Block	31,929	31,679	31,149
Total DSG	144,374	144,374	139,268

- 2.1.4 Local authorities have the choice to use the national funding formula, 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 set a minimum per pupil amount for secondary schools.
- 2.1.5 Merton will be using its local formula to allocate funding to schools because:
- The APT tool that local authorities are required to submit to the ESFA, detailing the formula used in allocating funding to schools, does not include the loss and gain caps the Department uses to allocate funding to Merton. We are therefore not able to replicate this through the APT tool.
 - Premises factors are allocated based on historic data. This means allocating business rates on historic values. Due to the revaluation exercise done by the VO last year, this would mean a short of c£521,000 for Merton schools. Using a local formula we will be able to use a more accurate estimate of rates in the formula.
 - If we use the national formula, we will not be able to de-delegate any items. As previously mentioned, Merton will be working with Head teachers over the coming year on SLAs to replace de-delegated items, but this is not available yet.
- 2.1.6 The factor which for Merton is increased most through the national funding formula is Free School Meals while the one losing the most is AWPUs. We therefore propose that the additional funding available is allocated through the Free School Meals factor, and that the allocation of this funding between primary and secondary schools is apportioned on the primary to secondary ratio as per the national funding formula which for 2017/18 was 1:1.32.
- 2.1.7 Appendix C provides an illustration of the difference between the national and the local funding formula. Please provide us with any comments you want us to consider when setting the local formula in section 2.1.5 of the feedback questionnaire.
- 2.1.8 There are two compulsory factors that must be used in the formula:
- Basic per pupil entitlement – Age-Weighted Pupil Units (AWPUs)
 - Deprivation – either based on Free School Meals (FSM) data or Income Deprivation Affecting Children Index (IDACI) bands, or both.
- 2.1.9 There are also 12 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 secondary schools

2.1.10 Local authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors; that is, the two compulsory and the top four optional factors in the table above, with the London fringe uplift where relevant. In Merton this was 91.54% in 2017/18.

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

2.2 The allowable formula factors

2.2.1 Values quoted in this document are based on the draft new formula for 2018/19, but using the 2017/18 funding settlement and the October 2016 census data. These are for illustrative purposes only to support the decision making process and will be updated once the 2018/19 funding settlement and the October 2017 census data are available.

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

2.2.3 As there are only 2 years of local discretion before the national funding formula will be applied at school level, Merton is not proposing major changes to the factors used in the funding formula for 2018/19. 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, and to cease the LAC factor as the Pupil Premium grant will be increased to take account of this funding in future.

Table 3: Funding Formula Factors

Factor	Further information
1. Basic entitlement A compulsory factor	<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 allocated according to an age-weighted pupil unit (AWPU). A single rate for primary age pupils, which must be at least £2,000 (£3,305 in Merton for 2017/18). 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 2017/18).</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 calculations. Local authorities currently using a reception uplift factor may want to consider whether they continue to do so.</p> <p>Schools will not be financially disadvantaged in the NFF calculations as the funding will remain in their baselines.</p>

Factor	Further information
2. Deprivation A compulsory factor	<p>Local authorities may choose to use free school meals and/or the Income Deprivation Affecting Children Index (IDACI). Eligibility for current free school meals is derived from the previous October census, and Ever6 FSM (pupils entitled to free meals at any time in the last 6 years) is measured at the previous January census. If using FSM, local authorities can choose to use either current or Ever6 FSM, or both. Merton uses FSM “ever 6” and IDACI.</p> <p>The IDACI measure uses 6 bands and different values are attached to each band. Merton uses the same unit values for primary and secondary schools. Detailed specifications relating to the IDACI factors are available at Appendix A.</p>
3. Prior attainment An optional factor (although it is used by nearly all local authorities).	<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 EYFSP 73 points in 2018/19 as in previous years.</p> <p>Detailed specifications relating to the prior attainment factor is available at Appendix A.</p>
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 2017.</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 will be increasing the Pupil Premium Plus rates for 2018/19, rather than including a LAC factor in the national funding formula. Local authorities using this factor may consider whether they continue to use this factor in light of the new arrangements.</p> <p>Merton proposes to not use this factor in 2018/19 as this will be allocated through the Pupil Premium grant. Please provide your views on this change in the consultation document.</p>
5. English as an additional language (EAL) An optional factor	<p>Pupils that have been identified on the October census as having a mother tongue 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 2018/19.</p>

Factor	Further information
6. Pupil mobility An optional factor	<p>This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils).</p> <p>There is a 10% threshold and funding is allocated based on the proportion above the threshold – so if a school has 12% mobility, then 2% of pupils would attract funding.</p> <p>Merton does not use this factor following previous consultation with schools and Schools Forum.</p>
Proportion allocated through pupil led factors	Local authorities must allocate at least 80% of the delegated schools block funding through pupil led factors (the factors in lines 1-6 above, and London fringe uplift where relevant).
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>Merton does not use this formula as none of our schools are eligible.</p>
8. Lump sum An optional factor (although it has been used by all local authorities)	<p>Local authorities can set 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 uses the same lump sum of £150,000 for both phases.</p>
9. Split sites An optional factor	The purpose of this factor is to support schools which have unavoidable extra costs because the school buildings are on separate sites. Allocations must be based on objective criteria, both for the definition of a split site and for how much is paid (see Appendix B for Merton's criteria).
10. Rates An optional factor (although it has been used by all local authorities)	<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>
11. Private Finance Initiative (PFI) contracts An optional factor	<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>

Factor	Further information
	As Merton's PFI affordability gap is met by the general fund rather than the DSG, this factor is not used.
12. London fringe An optional factor, but only for the five local authorities to which it applies	<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>
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>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 2017/18 can automatically be used for pre-existing and newly qualified schools in 2018/19, provided that the above criteria are still met.</p> <p>Merton does not use this factor.</p>
14. Minimum level of per pupil funding for secondary schools An optional factor.	<p>The ESFA confirmed the full national funding formula for 2018/19 and 2019/20 in September. The formula provides local authorities with per pupil funding of at least £4,800 for all secondary schools that have pupils in years 10 and 11 by 2019/20.</p> <p>The purpose of this new factor is to allow local authorities to implement this policy locally. It will allow them to set a transitional minimum amount of per pupil funding in 2018/19, as a step towards £4,800 in 2019/20.</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>Merton will not use this factor as KS 4 funding is already set higher than this at £5,229.</p>

2.2.4 The main differences between the Merton and National funding formulae are:

- The unit value assigned to each of the factors
- The NFF does not include the reception uplift
- The LAC factor could be a difference, depending on what is agreed on the treatment of the LAC factor in Merton's formula following this consultation.

2.3 Optional de-delegation for maintained schools

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

2.3.2 Central services are split into two groups:-

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

2.3.3 De-delegation is not an option for academies, special schools, nurseries or PRUs. Where de-delegation has been agreed for maintained primary and secondary schools, Merton will offer the service on a buy-back basis to those 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 D contains more details about de-delegated and centrally retained funding in guidance provided by the DfE. Table 4 below details the requests for de-delegation for 2018/19 compared to 2017/18.

Table 4: Request for de-delegation of funding

Service	2018/19 £000	2017/18 £000
Contingencies	580	506
Primary school meals management	20	20
Licences and subscriptions	117	117
Supply staff cost- parenting cover and public duties	881	768
Support to underperforming ethnic minority groups and bilingual learners	212	208
Behaviour support services	199	195
School improvement	31	31
Total	2,040	1,845

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 2017/18 formula and will change following the October 2017 census. Values are indicative to support schools in their decision making.

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

2.3.5 **Contingencies- Schools in Challenging Circumstances (SCC):** This budget is used to support schools experiencing specific challenges where there is no school budget available to meet the agreed need. It is used proactively to prevent problems

and to secure rapid progress when necessary. It is used at the discretion of the AD of Education Services (Jane McSherry) in discussion with the Head of School Improvement Services and the Head of the school. It is used to respond to specific school level issues and as these change each year, there are no historic spending patterns by phase or school.

Due to declining balances in schools we are experiencing more requests for support every year. As a result of the funding factor limitations imposed on the local authority through the national funding formula, this is the only funding pot available to us to support individual schools requests for support taking account of their specific circumstances. We would therefore propose that the contribution to this fund be increased from £300,000 to £400,000 for 2018/19.

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 £18.90 per pupil on roll to provide an overall de-delegated budget of £400,000 (£13.87 in 2017/18 for £300,000). To keep the budget at £300,000 would require a £14.18 contribution per pupil.

- 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. From 2018/19 the £30,000 contribution to the Merton School Sport Partnership (MSSP) which was included in this item for primary schools will cease. MSSP will enter into a SLA agreement with each individual school for this service from the 2018/19 academic year.

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 £6.66 and £4.77 for primary and secondary schools respectively in 2017/18).

- 2.3.7 **Contingencies- Marketing in schools:** From 2017/18 Merton terminated its third party commissioned contract and instead undertook some activities in-house. This included a review of pupil destinations to enable secondary schools to understand their competitor schools, and supported bids from under-subscribed schools with marketing activities. It is intended that this approach continues, with all schools that benefit from financial support expected to share good practice with other schools.

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 £1.42 per pupil on roll to provide an overall de-delegated budget of £30,000 (£1.39 in 2017/18).

- 2.3.8 **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 £2.36

per pupil on roll to provide an overall de-delegated of budget £50,000 (£2.13 in 2017/18).

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

All free school meal funding is delegated to primary and secondary schools and managed by them locally. The current meals contract was awarded to Compass trading as Chartwells from 1 August 2016 for a 3 year initial term with an option to extend to 2021 if required. Schools are invoiced directly for all meals including free school meals. In order to treat all residents in the borough the same but also support schools with their budget pressures, Schools Forum agreed as part of the consultation 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 for 2018/19 (£1.21 in 2017/18).

- 2.3.10 **Licences and subscriptions:** This budget is estimated to be £117,000 for Schools Information Management System licences (£114,429 for 2017/18). 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 3.1.2 of this report.

Schools contribute towards this fund based on numbers on roll through the AWPU factor. The cost to both primary and secondary schools is estimated at £5.53 per pupil on roll to provide the overall de-delegated budget (£5.41 for 2017/18).

- 2.3.11 **Supply staff cost- parenting cover and public duties:** This budget includes £816,000 for parenting cover (£700,000 for 2017/18) and £65,000 for public duties (£68,000 in 2017/18). 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 £41.63 per pupil on roll (£35.50 in 2017/18) to provide an overall de-delegated budget of £881,000.

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

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

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

Schools contribute towards this fund based on the EAL factor. The cost to both primary and secondary schools is estimated at £44.62 per EAL pupil percentage point (£43.29 in 2017/18) to provide an overall de-delegated budget of £212,000.

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

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

Schools contribute towards this fund based on the low attainment factor. The cost to both primary and secondary schools is estimated at £34.73 per low attainment pupil percentage point to provide an overall de-delegated budget of £199,000 (£33.09 for 2017/18).

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

- 2.3.15 **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) and de-delegation (for additional school improvement provision for maintained schools).

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 2017/18. This contribution is expected to continue for 2018/19.

Schools contribute towards this fund based on numbers on roll through the AWPUP factor. The cost to primary and secondary schools is estimated at £1.46 per pupil on roll to provide an overall de-delegated budget of £31,000 (£1.43 for 2017/18).

2.3.16 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.

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

2.4 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 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 is 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 F.
- 2.4.9 Table 6 below shows how the ESG has reduced. To date the reductions in grant have been covered by the local authority as government expected these to be met through efficiencies.

Table 6: Reduction in ESG

Funding	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 transfer to DSG	0	0	0	399	411
School Improvement Grant	0	0	0	108	186
School Improvement de-delegation	0	0	0	31	31
Total Grant funding	3,203	2,594	2,350	1,231	628
DSG funding required	0	0	0	500	650
LA funding required	0	0	0	619	1,072
	3,203	2,594	2,350	2,350	2,350

- 2.4.10 The school contribution for 2018/19 is required to increase by £150,000 from 2017/18 (£500,000) to 2018/19 (£650,000). Although the DSG contribution increases, the percentage contribution the DSG funds compared to the LA will reduce from 45% in 2017/18 to 38% in 2018/19. The contribution is calculated based on numbers on roll through the AWPU factor. The cost to primary, secondary and special schools is estimated to be £30.71 per pupil on roll in 2018/19 to provide an overall de-delegated budget of £650k (£23.11 in 2017/18).
- 2.4.11 S251 is the statutory financial return Local Authorities complete annually to the DfE. The statutory duties are detailed in section 2.0.1 to 2.0.8 of the return. Table 7 below shows the budgeted cost for 2017/18.

Table 7: Cost as per S251

Duties	2016/17 Actuals £000	2017/18 Budget £000
Statutory and Regulatory duties	980	1,074
Education Welfare	334	380
School improvement	222	231
Asset management	364	325
Central support services	37	52
Premature retirement and redundancy	216	354
Monitoring national curriculum assessment	0	0
Total	2,153	2,416

2.4.12 From this cost it is clear that, although the majority of the duties were funded by the ESG, the LA did subsidise some of these costs and will continue to do so in a greater capacity in future.

2.5 Minimum Funding Guarantee (MFG)

2.5.1 The Secretary of State confirmed in July that the national funding formula will provide for at least a 0.5% per pupil increase in respect of each school in 2018/19. These increases will be reflected in the local authority level schools block allocations to be published in September, on the basis of aggregated individual notional school allocations.

2.5.2 Local authorities will continue to set a pre-16 minimum funding guarantee (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. Greater flexibility for the MFG is being introduced in 2018/19 which will allow local authorities to set an MFG between 0% and minus 1.5% per pupil. The level of the MFG will need to be consulted on as with the rest of the formula.

2.5.3 Table 8 below shows the total amount of MFG and the number of schools it will be applied to if Merton applied a 0%, -1.0% and a -1.5% in the local formula. Please let us know your preference in section 2.5.3 of the feedback questionnaire.

Table 8: MFG at different levels

MFG Percentage	Number of schools protected	MFG Amount
0.0%	3	£63,609
-1.0%	2	£20,002
-1.5%	2	£6,949

2.5.4 It is important to note that when more money is used to fund the MFG, it means less money is available to allocate through the other formula factors and to schools that should be receiving more funding. We would therefore propose keeping the MFG at -1.5% as in previous years.

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

2.5.6 In order to fund the protection provided by the MFG the authority can cap gains to schools, top-slice the schools block by reducing the value of other factors like AWPU, or use a combination of both these methods. This will be considered when the final formula is set in January 2018 with the aim of reducing turbulence to schools as far as possible and to balance to the funding available for distribution.

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. 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 The growth fund will be kept at the same level of £940,000 for 2018/19 and will cater for both primary and secondary expansion classes. A contingency is held to ensure sufficient funding is available when the new free secondary school starts to fund the lag funding of numbers to minimise the impact on existing schools, academies and free schools.
- 2.6.5 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.
- 2.6.6 This fund is also 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.

2.7 Transfer between blocks

- 2.7.1 The schools block is 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 will be expected to demonstrate to their schools forum that they have consulted locally with all maintained schools and academies when seeking agreement to transfer any funding out of the schools block.
- 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 2019/20 should this be required.

- 2.7.4 For 2018/19 Merton propose to transfer £500,000 from the schools block to the High Needs Block. This represents 0.42% of the indicative 2018/19 schools block allocation and will be used to fund the increase in numbers at special schools as well as a 2% increase in top-up (banding) fees. This is in line with what has been agreed with Schools Forum in previous years in order to build some capacity for increases in EHCP numbers, as well as providing inflation to special schools when maintained schools funding was increased. This is required as the HNB growth has not been sufficient to cover the growth in EHCPs. The schools block is receiving a 2.3% baseline increase from 2017/18.
- 2.7.5 Merton has experienced a dramatic increase in SEN statements/EHCPs over the past 3 years, from 1039 in January 2014 to 1264 in January 2017. Table 9 below shows the increase in provision and the placements by school category of these Merton resident children.

Table 9: Movement in EHCPs

Type of Provision	Jan 2014 (Statements)		Jan 2017 (Statements and EHCPs)	
	No.	%	No.	%
Mainstream School (inc. Academies)	470	45%	432	34%
State Funded Special School	339	33%	386	31%
Independent/Non-Maintained Provision (including Other Independent Special Schools)	110	11%	178	14%
ARP (Additional Resourced Provision)	109	10%	137	11%
Further Education	1	0%	97	8%
Early Years (inc. Private & Voluntary Settings)	2	0%	2	0%
Other (including children Educated at Home, Pupil Referral Units and Secure Units)	8	1%	32	3%
Total	1,039	100%	1,264	100%

- 2.7.6 Over the past 3 years Merton has increased its Additional Resourced Provision through the opening of a new ASD Unit at Hatfield, and expanded Perseid Special School (primary age). The expansion of Perseid Special School (secondary age) is currently under construction and the expansion of Cricket Green Special School is in detailed design, and will eventually provide an additional 60 special school places. 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.
- 2.7.7 All our specialist provision is in 'Good' and 'Outstanding' Schools. Perseid and Cricket Green Schools are both 'Outstanding'.
- 2.7.8 The council is working across South West London to decrease the unit costs of SEN placements, with a dynamic purchasing system across the consortium.
- 2.7.9 The council is currently undertaking a Strategic Needs Assessment to consider further opportunities to reduce reliance on more expensive Independent School Placements, and we have regular meetings with our neighbouring boroughs which may consider whether there are any opportunities for joint provision arising from our Strategic Needs Assessment.

2.8 Proforma

- 2.8.1 Based on the assumption that the factors as recommended above are accepted following consultation and Schools Forum decision, Appendix G is a draft of the proforma that will be submitted to the EFA for agreement in January 2018.

2.9 Timetable

- 2.9.1 Attached as Appendix H is the timetable for setting the 2018/19 Schools' Budget. Responses to the Funding Consultation are due back on the 3rd November 2017. Analysed results will be presented to the Schools Forum on the 15th November 2017 in order to agree the final proforma to be submitted to the EFA by the 19th January 2018.

3 Central School Services Block

3.1 Introduction

3.1.1 The central school services block (CSSB) will be introduced in 2018 to 2019, 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 Education Services Grant (ESG)

3.1.2 Appendix D provides more details on funding that can be centrally retained as per the guidance provided by the DfE. Table 10 below details the value of items applicable in Merton.

Table 10: Centrally retained funding

Description	2018/19	2017/18
Central licences negotiated by the Secretary of State	£118,680	£114,060
School admissions	£269,850	£265,860
Servicing of school forums	£12,200	£12,200
Prudential borrowing	£207,240	£207,240
Statutory and regulatory duties LAs hold for all schools (including academies & free schools)	£410,880	£399,480
Total Centrally retained funding	£1,018,850	£998,840

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:

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

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

3.3 School admissions

3.3.1 This service covers the cost of the school admissions team. The funding will increase in line with inflation to £269,850 for 2018/19.

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 2018/19.

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 will continue 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 F.
- 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 2018/19 is £410,880 (£399,480 in 2017/18) 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 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 is paid outside the formula as a lump sum.
- 4.1.3 Funding for eligible 2-year-olds is provided at a fixed hourly rate which and funding is also 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 Direct Schools Grant (DSG) is the largest grant and is the focus of this consultation. The allocation of Early Years Pupil Premium (EYPP) and the new 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. There are two compulsory factors that must be used in the formula:
- Basic rate per child/pupil based on an hourly rate
 - Deprivation
- 4.2.3 There are also 4 optional supplementary factors as detailed below:
- Rurality/sparsity
 - Flexibility
 - Quality
 - English as an Additional Language (EAL)
- 4.2.4 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.
- 4.2.4 Local authorities must allocate at least 95% from 2018/19 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. The high pass through rate also includes any contingency funding that has been held back.
- 4.2.5 The following sections detail the factors Merton 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 2017/18

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 (by 2019 / 20)	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).			
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.			
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	No change	Discretionary	No
Rationale	This is a new 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.			
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	Discretionary	No
Rationale	This is a new 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	Discretionary	No
Rationale	This is a new 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 once a model has been developed. 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			

- 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 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.
- 4.3.3 **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).
- 4.3.4 Proposals for this year are to continue to maintain a simple formula with minimal supplements, and Merton are not proposing any changes.
- 4.3.5 **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.
- Special Educational Needs Inclusion Fund (SENIF)
 - Contingency
- 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 SENIF for 2018 to 2019 will be based on the data and expenditure from the following headcounts:
- Summer 2017 (UE only)
 - Autumn 2017 (UE and EE)
 - January 2018 (UE and EE)
- There will be a percentage uplift applied to the overall value of the fund to cover:
- estimated full year costs for 2018 to 2019 (the current financial year is not a full year estimate due to the new Extended Entitlement being from September 2017 only and not the full year)
 - the increase in the level of contributions to the notional SEN allocation towards EHCPs
- 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 SEN Inclusion Funds 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 will be distributed across the sector in accordance with guidance.

4.4 Funding outside of the formula

- 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 national funding formula 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 2017/18 centrally retained items total £967,530. 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 SEN and/or other additional needs, plus management and administration.
- 4.5.3 In 2018/19, the 5% is in the region of £900,000 and this will be used as stated above.
- 4.5.4 LAs have the opportunity to charge for applicable services. Merton Council is not proposing at this stage to charge for early identification of need and inclusion work in settings. We continue to charge for training courses, membership of the Continuous Improvement Framework and bespoke on-site provider support.

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 will be considered to ensure compliance with the September 2018 Government timescale. Further information on this will be communicated to schools and providers through the usual channels.

4.8 Indicative Budgets

- 4.8.1 Providers will be allocated an indicative budget based on the previous year's headcounts/claims of May 2017, October 2017 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).
- 4.8.2 If you would like to make any comments on the proposals to make no changes to the existing formula, please do so in the Feedback Questionnaire (see page 11).
- 4.8.3 If you would like to make any comments on the proposals to make no changes to the existing methodology for allocation of 2 year funding, please do so in the Feedback Questionnaire (see page 11).

- 4.8.4 If you would like to make any comments on the proposed methodology used to inform the value of the SEN Inclusion Fund that forms part of the high pass through rate but sits outside the formula, please do so in the Feedback Questionnaire (see page 11).
- 4.8.5 If you would like to make any comments on the contingency that forms part of the high pass through rate but sits outside of the formula, please do so in the Feedback Questionnaire (see page 11).
- 4.8.6 If you would like to make any comments on the retained items that sit outside of the formula, and are included within the 5% retention, please do so in the Feedback Questionnaire (see page 11).

5. High Needs Block 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 cannot receive their education in schools.

5.1.3 For 2018 to 2019, every local authority will receive at least a 0.5% increase to the amount of its DSG that it plans to spend on high needs in 2017 to 2018, subject to the following adjustments:

- a baseline adjustment has been made to reflect a change in the funding of special units and resourced provision in mainstream schools from April 2018, as announced in the response to the first stage of consultation on a high needs national funding formula. The adjustment is cost-neutral in terms of the DSG allocation to each local authority, but involves transferring some funding from the high needs block to the schools block, around £90 million nationally.
- an adjustment will be made to reflect changes between the 2016/17 and 2017/18 academic years in the number of pupils and students in maintained special schools, special academies, non-maintained special schools (NMSSs) and special post-16 institutions (SPIs).
- similarly, the EFA also consulted on how a change in the placement of pupils and students in schools and colleges located in other local authority areas would affect the amount of high needs funding the local authority receives, and will be making an import/export adjustment of £6,000 per pupil/student in the high needs national funding formula

5.1.4 Table 12 shows how Merton's High Needs block funding is distributed. Details of items can be found in section 5.2 of this report.

Table 12: High Needs Block funding

Description	Amount 2017/18	Amount 2016/17
Mainstream settings (Individual SEN statements)	£3,467,670	£3,344,000
Specialist SEN and LDD settings (Including ARP and special schools)	£10,710,430	£10,789,660
Pupil Referral Unit (PRU)	£1,787,580	£1,787,890
Centrally retained High Needs funding for all phases	£13,903,320	£13,167,260
Post 16	£2,060,000	£2,060,000
Total Centrally retained funding	£31,929,000	£31,148,810

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 Education, Health and Care Plan (EHCP) is processed. Merton manages top-up funding through a banding model. Tables 8, 9 and 10 below detail Merton's band funding levels.

Merton will be increasing our band funding for 2018/19. The percentage increases are detailed in the tables below. The percentages in tables 14 and 15 vary per band as these are formulas based on the figures in table 13.

Table 13: High Needs EHCP banding levels (reception onwards)

Band	2018/19	2017/18	% increase
Band 1	£0	£0	
Band 2	£5,805	£5,691	2.00%
Band 3	£7,983	£7,826	2.00%
Band 4	£10,160	£9,961	2.00%
Band 5	£12,378	£12,096	2.00%

Table 14: High Needs EHCP banding levels (2, 3 & 4 YO universal entitlement)

Band	2018/19	2017/18	% increase
Band 1	£0	£0	
Band 2	£5,903	£5,846	0.98%
Band 3	£6,992	£6,913	1.14%
Band 4	£8,080	£7,981	1.25%
Band 5	£9,169	£9,048	1.34%

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

Band	2018/19	2017/18	% increase
Band 1	£0	£0	
Band 2	£9,739	£9,645	0.98%
Band 3	£11,536	£11,406	1.14%
Band 4	£13,332	£13,168	1.25%
Band 5	£15,129	£14,929	1.34%

Merton will continue to provide additional funding outside the main funding formula for mainstream schools and academies. During 2017/18 this methodology allocated an additional £273,329 (included in table 10) where more than 2.5% of a school's overall pupils had statements. Appendix I details the allocations for 2017/18.

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

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 2017/18 is £8,087,380. The total ARP budget for 2017/18 is £2,565,640.

Due to the transfer of funding from the HNB to the Schools Block, the top-up element to ARPs will be reduced for 2018/19. We will be reversing the transfer that was made in 2013 from the schools block to the HNB and the schools with bases will be informed of these changes. The net effect on these schools should be minimal as the reduction in the base top-up will be offset by the increase in the schools funding formula.

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 £48,060 in 2017/18 for support for schools in challenging circumstances; school meal management; licences and subscriptions; maternity/paternity supply cover, marketing, public duties, ethnic minority support, behaviour support and tree maintenance. It also includes £207,240 for prudential borrowing that the Schools Forum agreed at their meeting on 15th October 2007.

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 100 pupils per year. This varies based on need. It provides for secondary aged pupils by referral for prevention and exclusion and medical, however it can also support primary aged medical referrals in small numbers.

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

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.

In future, any underspend from the previous year exclusion pot would 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 16: Centrally retained High Needs funding

Description	2017/18 £000	2016/17 £000
Independent provider placements	9,052	8,341
Cost of Merton pupils in other LA maintained schools	2,313	2,063
Cost of other LA children in Merton maintained schools	(1,159)	(1,159)
Academy placements	480	580
Sensory Team	392	376
Virtual School	373	361
SSQ Core Offer	359	350
Language and Learning	354	635
Targeted support to schools with high SEN pupil numbers	267	322
Education Psychology	266	41
Behaviour Support	235	206
Education Welfare	168	163
SEN referral & Early help 0-25 team	164	206
Social Inclusion	136	142
Vulnerable Children's Education	123	110
Therapy in Special schools	112	112
Merton Autism Outreach Service (MAOS)	100	100
SEN support	81	56
Independent hospital provision	50	50
Portage	37	62
Education support for Looked After Children	0	50
Total Cost	13,903	13,167

- 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 EFA.

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

6. Financial Regulations, Controls and Procedures

6.1 School and Early Years Finance (England) Regulations for 2018/19

- 6.1.1 The Government will be making the necessary regulations that will give effect to funding changes from 2018/19. A national Consultation will go out on draft School and Early Years Finance (England) Regulations to come into effect for next financial year.

6.2 Scheme for Financing Schools

- 6.2.1 Merton's last Scheme for Financing Schools was circulated to all schools on 9th February 2016 following DfE updates in December 2015. We are proposing the following changes to the scheme:

- Clarifying that if return dates fall on a weekend or public holiday, that returns should be submitted on that date or the prior working day.
- In section 4.9, add two more bullet points to clarify in which circumstances Merton would consider agreeing licenced deficits:
 - Exceptional circumstances to be considered by the Assistant Director for Education
 - Requests resulting from circumstances in previous years where the school required more than one year to recover the deficit
- In section 4.9, add that if a higher deficit amount is required, this will need to be authorised by both directors for Corporate Services and Children, Schools and Families.
- Replace Departmental Finance Manager with Service Financial Adviser
- Replace Head of Education with Assistant Director for Education
- Making clear that closing FMS reports needs to be submitted by the 15th of April or the prior working day

- 6.2.2 Please provide any comments relating to these proposed changes I section 6.2 of the feedback questionnaire.

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

This questionnaire must be filled in and returned by **Friday 3rd November 2017** 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

2.1.5 Local or National Funding formula and values

Merton will be using its local formula to allocate funding to schools because of the reasons outlined in paragraph 2.1.5 of this consultation. Please provide below any comments you want us to consider in setting the local funding formula including how we propose to apportion the funding between primary and secondary schools and allocating additional funding through Free School Meals rather than AWPU to be in line with the movements of the National Funding Formula.

Comments

Table 3 factor 4 LAC factor

If we decide to administer a local rather than National funding formula, Merton propose to not use the LAC factor as the funding for this factor has been transferred from the DSG to the Pupil Premium Grant and the PPG allocations will be increased accordingly. Including this factor in the local formula would in effect therefore mean that we would fund the LAC cohort twice.

Please select which option you would prefer

Option 1 – Remove the LAC factor from Merton’s local formula	
Option 2 – Retain the LAC factor in Merton’s local formula	

Comments

Options from Section 2.3 relating to de-delegation

2.3.5 Contingencies- Schools in challenging circumstances:

Due to declining balances in schools we are experiencing more requests for support every year. As a result of the funding factor limitations imposed on the local authority through the national funding formula, this is the only funding pot available to us to support individual schools requests for support taking account of their specific circumstances. We would therefore propose that the contribution to this fund be increased from £300,000 to £400,000 for 2018/19.

Please select which option you would prefer

Option 1- Keep the contribution at £300,000	
Option 2- Increase the contribution to £400,000	

Comments

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- Marketing in schools	
2.3.8	Contingencies- Tree maintenance	
2.3.9	Primary school meals management	
2.3.10	Licences and subscriptions	
2.3.11	Staff cost- supply cover	
2.3.12	Support to under-performing ethnic minority groups and bilingual learners	
2.3.13	Behaviour support	

Other de-delegation comments

Please provide any comments you would like to be considered by the Schools Forum on the de-delegation of budgets for 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%, -1.0% or -1.5% in the local formula.

MFG Percentage	Number of schools protected	MFG Amount
0.0%	3	£63,609
-1.0%	2	£20,002
-1.5%	2	£6,949

Please select below if you agree with our proposed approach to keep MFG at -1.5% as in previous years, or which other option you would prefer.

Option 1 – Set MFG at 0.0%	
Option 2 – Set MFG at -1.0%	
Option 3 – Set MFG at -1.5%	

Comments

2.7 Transfer between blocks

For 2018/19 Merton proposes to transfer £500,000 from the schools block to the High Needs Block. This represents 0.42% of the indicative 2018/19 schools block allocation and will be used to fund the increase in numbers at special schools as well as a 2% increase in top-up (banding) fees.

Please state below whether you would support this transfer from the schools to the high needs block.

	Yes/No
Transfer 0.42% from the schools block to support EHCPs in special schools as well as a 2% increase in top-up (banding) fees	

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 2018/19 formula.

Funding formula for 2-year-olds

Merton Council intends 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 2018/19 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 is 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 2018/19 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 in accordance with guidance. 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.

Please provide any comments about this that you would like to be considered by Merton Council and Schools Forum when setting the 2018/19 formula

6.2 Scheme for Financing Schools

Please provide any comments you would like to be considered in relation to changes proposed to the Scheme for Financing Schools.

Comments

Other comments

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

Comments

Thank you for taking the time to provide your feedback.

Income Deprivation Affecting Children Index (IDACI)

The income deprivation affecting children index (IDACI) is a subset of the indices of multiple deprivation (IMD). It is an area-based measure defined at the level of lower super output area (LSOA) and is based on the data published in September 2015. It is a score between 0 and 1, which can be interpreted as the proportion of families with children aged under 16 in the LSOA which are income deprived. Further information on the updated IDACI figures can be found through the DCLG statistical release.

For 2017-18 the IDACI bands have been updated to return them to roughly similar sizes (in terms of the proportion of pupils in each band). Only pupils with an IDACI score above 0.2 can be assigned deprivation funding through this factor, meaning there are six bands which can be given different unit values each for primary and six for secondary phase pupils.

IDACI Score	IDACI band
$x < 0.2$	G
$0.2 \leq x < 0.25$	F
$0.25 \leq x < 0.3$	E
$0.3 \leq x < 0.35$	D
$0.35 \leq x < 0.4$	C
$0.4 \leq x < 0.5$	B
$0.5 \leq x \leq 1$	A

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 English or maths.

The EYFSP changed in 2013, so a weighting may be used to ensure that funding delivered through the primary prior attainment factor is not disproportionately affected by the year groups assessed under the new framework (years 1 to 5). For pupils assessed using the old profile (year 6 only), local authorities will continue to be able to choose between two EYFSP scores, targeting funding to either all pupils who achieved fewer than 78 points or all pupils who achieved fewer than 73 points on the EYFSP.

A new national weighting was introduced to the secondary low prior attainment factor in 2017/18, to ensure that the new year 7 cohort (the first pupils to sit the new, more challenging key stage 2 tests at the end of academic year 2015 to 2016) did not have a

disproportionate influence within the total for the prior attainment factor in the mainstream formula. The intention is to carry forward this weighting so that it applies to the year 8 cohort in the Schools Block Dataset provided to local authorities for setting their mainstream school funding formula for the financial year 2018/19.

We also intend to specify a national weighting for the new year 7 cohort in the 2018/19 schools block dataset, in order to scale back the proportion of year 7 pupils identified as having low prior attainment to a level commensurate with the number of pupils identified in years 9 to 11 under the previous key stage 2 tests. The new year 7 weighting will be confirmed later in the year.

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

Low prior attainment funding will be allocated to all pupils identified as not reaching the expected standard at the previous phase, regardless of their year group. It doesn't 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 low prior attainment rate.

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

Merton's local vs. National Funding Formula

Appendix C

School Name	Total NFF 2018-19 funding (Excluding premises and mobility)	Adjusted NFF *	Merton's Local Formula	Difference compared to NFF	2017-18 Allocation	Difference 2017-18 to 2018-19
TOTAL	£115,556,263	£114,795,825	£114,795,823	-£3	£112,307,480	£2,488,343
BOND PRIMARY SCHOOL	£1,752,293	£1,726,373	£1,751,310	£24,938	£1,692,616	£58,694
Dundonald Primary School	£1,185,818	£1,166,718	£1,172,416	£5,698	£1,171,554	£863
GARFIELD PRIMARY SCHOOL	£1,761,347	£1,748,682	£1,749,845	£1,163	£1,715,298	£34,548
HATFIELD PRIMARY SCHOOL	£1,618,321	£1,635,150	£1,661,118	£25,968	£1,591,765	£69,353
HOLLYMOUNT PRIMARY	£1,555,976	£1,539,362	£1,557,068	£17,707	£1,545,961	£11,108
Joseph Hood Primary School	£1,279,341	£1,253,567	£1,255,495	£1,928	£1,237,887	£17,608
LINKS PRIMARY SCHOOL	£1,725,434	£1,698,908	£1,693,730	-£5,178	£1,666,040	£27,690
LONESOME PRIMARY SCHOOL	£1,663,901	£1,651,287	£1,676,829	£25,543	£1,619,453	£57,376
Merton Abbey Primary School	£1,523,014	£1,505,076	£1,462,727	-£42,349	£1,488,887	-£26,160
MERTON PARK PRIMARY SCHOOL	£875,441	£867,462	£872,598	£5,136	£870,780	£1,818
MORDEN PRIMARY SCHOOL	£970,614	£966,465	£976,955	£10,490	£949,071	£27,885
PELHAM PRIMARY SCHOOL	£1,403,490	£1,437,160	£1,449,191	£12,032	£1,435,991	£13,200
Haslemere Primary School	£1,818,057	£1,805,333	£1,833,395	£28,062	£1,770,266	£63,129
Poplar Primary School	£2,254,720	£2,249,280	£2,241,663	-£7,617	£2,206,122	£35,541
St. Mark's Primary School	£1,031,270	£1,022,224	£1,041,612	£19,388	£1,003,206	£38,406
The Sherwood School	£1,696,328	£1,685,383	£1,690,065	£4,682	£1,653,200	£36,865
SINGLEGATE PRIMARY SCHOOL	£1,935,481	£1,898,994	£1,886,539	-£12,456	£1,865,839	£20,700
WIMBLEDON PARK PRIMARY SCHOOL	£2,209,855	£2,187,494	£2,215,539	£28,045	£2,197,030	£18,509
ABBOTSBURY PRIMARY SCHOOL	£1,760,530	£1,752,062	£1,754,215	£2,153	£1,718,570	£35,645
WEST WIMBLEDON PRIMARY	£1,872,893	£1,838,392	£1,832,490	-£5,902	£1,702,731	£129,759
CRANMER PRIMARY SCHOOL	£2,577,792	£2,546,690	£2,541,289	-£5,401	£2,496,904	£44,385
GORRINGE PARK PRIMARY SCHOOL	£2,321,482	£2,275,741	£2,275,958	£217	£2,230,771	£45,188
HILLCROSS PRIMARY	£2,184,558	£2,156,217	£2,160,699	£4,482	£2,134,937	£25,762
LIBERTY PRIMARY SCHOOL	£2,030,618	£1,999,713	£2,020,862	£21,149	£1,960,547	£60,315
STANFORD SCHOOL	£1,332,252	£1,322,356	£1,322,964	£608	£1,297,758	£25,205
WILLIAM MORRIS PRIMARY SCHOOL	£1,594,450	£1,584,888	£1,563,930	-£20,958	£1,548,322	£15,607
WIMBLEDON CHASE PRIMARY SCHOOL	£2,512,418	£2,489,984	£2,500,888	£10,904	£2,430,431	£70,457
Malmesbury Primary	£1,774,759	£1,756,331	£1,784,177	£27,846	£1,722,053	£62,124
ALL SAINTS' C OF E PRIMARY	£1,368,592	£1,401,656	£1,351,603	-£50,053	£1,376,050	-£24,448
ST MATTHEW'S PRIMARY SCHOOL	£862,519	£838,449	£917,281	£78,832	£841,606	£75,675
HOLY TRINITY C/E PRIMARY	£1,604,513	£1,553,746	£1,563,979	£10,233	£1,560,375	£3,604
BISHOP GILPIN C OF E PRIMARY	£1,712,868	£1,658,301	£1,669,532	£11,231	£1,665,573	£3,960
S S PETER & PAUL CATHOLIC PRIMARY	£1,727,227	£1,674,681	£1,674,535	-£147	£1,642,175	£32,359
SACRED HEART CATHOLIC PRIMARY SCHOOL	£1,432,157	£1,387,940	£1,402,764	£14,824	£1,393,574	£9,190
ST TERESA'S PRIMARY SCHOOL	£1,765,628	£1,709,618	£1,687,328	-£22,290	£1,676,539	£10,789
ST MARY'S CATHOLIC PRIMARY SCHOOL	£1,585,100	£1,534,517	£1,532,697	-£1,820	£1,527,192	£5,505
St John Fisher RC Primary	£1,624,167	£1,573,301	£1,583,403	£10,102	£1,580,084	£3,319
The Priory CE Primary School	£1,630,870	£1,581,833	£1,592,807	£10,973	£1,564,632	£28,175
St Thomas of Canterbury RC School	£2,465,755	£2,386,996	£2,393,790	£6,794	£2,339,115	£54,675
RICARDS LODGE HIGH SCHOOL	£6,507,125	£6,566,707	£6,552,828	-£13,879	£6,371,873	£180,955
RAYNES PARK HIGH SCHOOL	£4,677,696	£4,788,564	£4,787,917	-£647	£4,543,969	£243,948
Rutlish School	£6,485,036	£6,552,518	£6,497,529	-£54,989	£6,356,201	£141,327
Wimbledon College	£5,310,857	£5,199,133	£5,131,909	-£67,224	£5,083,601	£48,308
Ursuline High School Wimbledon	£5,556,725	£5,439,671	£5,376,326	-£63,345	£5,318,975	£57,351
Benedict Primary School	£1,390,556	£1,396,906	£1,434,774	£37,868	£1,364,926	£69,848
Park Community School	£471,445	£472,249	£484,920	£12,671	£478,971	£5,949
Harris Primary Academy Merton	£1,943,715	£1,950,873	£1,953,566	£2,693	£1,817,522	£136,044
Beechholme Primary School	£977,674	£981,298	£975,595	-£5,703	£956,490	£19,105
Harris Academy Morden	£4,219,196	£4,256,196	£4,119,450	-£136,746	£4,136,975	-£17,524
Harris Academy Merton	£5,226,995	£5,282,995	£5,308,594	£25,599	£5,149,402	£159,192
St Mark's Church of England Academy	£4,473,458	£4,473,458	£4,476,218	£2,760	£4,358,661	£117,557
Aragon Primary	£2,313,938	£2,366,929	£2,380,914	£13,985	£2,279,013	£101,902

Notes

* Adjusted for Rates, Split sites and De-delegation and Education functions for maintained schools

** These schools received Minimum Funding Guarantee

De-delegated and centrally retained funding

Appendix D

Has to be allocated through formula but can be de-delegated for maintained schools (approval is by the relevant phase members of the Schools Forum)	<ul style="list-style-type: none"> • 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)
Schools Forum approval is not required (although they should be consulted)	<ul style="list-style-type: none"> • High Needs Block provision • Central licences negotiated by the Secretary of State
Schools Forum approval is required on a line-by-line basis.	<ul style="list-style-type: none"> • 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)
Schools Forum approval is required.	<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 reduces the amount of the schools budget • Any brought forward deficit on de-delegated services which is to be met by the overall schools budget
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	<ul style="list-style-type: none"> • Capital expenditure funded from revenue • Contribution to combined budgets • Existing termination of employment costs • Prudential borrowing costs

approved prior to April 2013.	
Schools Forum approval is required on a line-by-line basis, including approval of the criteria for allocating funds to schools.	<ul style="list-style-type: none"> • Funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy • Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years

When using funding held centrally within DSG, other than funding that has been delegated by maintained schools, the authority must treat maintained schools and academies on an equivalent basis.

ESTIMATED cost of de-delegation to each school

Appendix E

School Name	Contingency					Free School Meals Eligibility	Licences and Subs	Staff Cost - Supply Cover	Refugee Service and EMAG	Behaviour Support	School Impr	Total Proposed De-Delegation (Option 2)
	Schools Causing Concern Option 1	Schools Causing Concern Option 2	MEP	Marketing	Tree Mtce							
	£	£	£	£	£	£	£	£	£	£	£	£
BOND PRIMARY SCHOOL	5,486	7,314	1,870	549	914	483	2,139	16,110	7,431	4,657	567	42,034
Dundonald Primary School	4,139	5,519	1,411	414	690	365	1,614	12,155	3,314	1,503	428	27,412
GARFIELD PRIMARY SCHOOL	5,769	7,692	1,967	577	962	508	2,250	16,942	6,176	4,495	596	42,165
HATFIELD PRIMARY SCHOOL	5,698	7,598	1,942	570	950	502	2,222	16,734	2,255	3,462	589	36,824
HOLLYMOUNT PRIMARY	5,642	7,522	1,923	564	940	497	2,200	16,568	2,837	1,755	583	35,390
Joseph Hood Primary School	4,153	5,538	1,416	415	692	366	1,620	12,197	2,833	3,526	429	29,032
LINKS PRIMARY SCHOOL	5,500	7,333	1,875	550	917	485	2,145	16,151	8,023	5,812	568	43,860
LONESOME PRIMARY SCHOOL	5,259	7,012	1,793	526	876	463	2,051	15,444	4,544	4,218	543	37,470
Merton Abbey Primary School	4,493	5,991	1,532	449	749	396	1,752	13,196	4,925	4,464	464	33,918
MERTON PARK PRIMARY SCHOOL	2,892	3,856	986	289	482	255	1,128	8,492	1,099	1,509	299	18,394
MORDEN PRIMARY SCHOOL	2,934	3,912	1,000	293	489	258	1,144	8,617	1,774	2,319	303	20,111
PELHAM PRIMARY SCHOOL	4,777	6,369	1,628	478	796	421	1,863	14,028	4,528	2,875	494	33,480
Haslemere Primary School	5,755	7,673	1,962	576	959	507	2,244	16,901	5,530	4,978	595	41,925
Poplar Primary School	7,640	10,187	2,604	764	1,273	673	2,980	22,437	7,017	6,160	790	54,886
St. Mark's Primary School	2,963	3,950	1,010	296	494	261	1,155	8,700	3,668	2,706	306	22,547
The Sherwood School	5,500	7,333	1,875	550	917	485	2,145	16,151	3,598	5,156	568	38,778
SINGLEGATE PRIMARY SCHOOL	6,591	8,789	2,247	659	1,099	581	2,571	19,357	7,356	4,307	681	47,645
WIMBLEDON PARK PRIMARY SCHOOL	8,179	10,905	2,788	818	1,363	721	3,190	24,019	3,066	3,675	845	51,390
ABBOTSBURY PRIMARY SCHOOL	5,698	7,598	1,942	570	950	502	2,222	16,734	6,927	4,837	589	42,871
WEST WIMBLEDON PRIMARY	6,251	8,335	2,131	625	1,042	551	2,438	18,358	4,907	5,325	646	44,357
CRANMER PRIMARY SCHOOL	8,789	11,718	2,996	879	1,465	774	3,428	25,809	6,669	6,915	908	61,560
GORRINGE PARK PRIMARY SCHOOL	7,640	10,187	2,604	764	1,273	673	2,980	22,437	10,444	6,785	790	58,937
HILLCROSS PRIMARY	7,626	10,168	2,600	763	1,271	672	2,974	22,395	5,428	5,509	788	52,567
LIBERTY PRIMARY SCHOOL	6,606	8,807	2,252	661	1,101	582	2,576	19,398	7,519	4,763	683	48,342
STANFORD SCHOOL	4,281	5,708	1,459	428	713	377	1,670	12,571	4,095	2,907	442	30,371
WILLIAM MORRIS PRIMARY SCHOOL	4,734	6,313	1,614	473	789	417	1,846	13,904	4,950	4,758	489	35,554
WIMBLEDON CHASE PRIMARY SCHOOL	9,115	12,153	3,107	911	1,519	803	3,555	26,766	9,165	4,765	942	63,686
Malmesbury Primary	5,557	7,409	1,894	556	926	490	2,167	16,318	3,633	6,262	574	40,229
ALL SAINTS' C OF E PRIMARY	4,309	5,746	1,469	431	718	380	1,681	12,655	3,227	3,089	445	29,840
ST MATTHEW'S PRIMARY SCHOOL	2,792	3,723	952	279	465	246	1,089	8,201	790	1,986	289	18,020
HOLY TRINITY C\ E PRIMARY	5,713	7,617	1,947	571	952	503	2,228	16,776	4,142	3,064	590	38,390
BISHOP GILPIN C OF E PRIMARY	6,209	8,278	2,116	621	1,035	547	2,421	18,233	4,693	2,529	642	41,115
S S PETER & PAUL CATHOLIC PRIMARY	5,755	7,673	1,962	576	959	507	2,244	16,901	5,378	3,282	595	40,076
SACRED HEART CATHOLIC PRIMARY SCHOOL	4,947	6,596	1,686	495	825	436	1,929	14,528	3,014	3,478	511	33,498
ST TERESA'S PRIMARY SCHOOL	5,954	7,938	2,029	595	992	524	2,322	17,483	6,716	3,895	615	43,110
ST MARY'S CATHOLIC PRIMARY SCHOOL	5,472	7,295	1,865	547	912	482	2,134	16,068	5,353	3,506	565	38,728
St John Fisher RC Primary	5,826	7,768	1,986	583	971	513	2,272	17,109	3,212	3,227	602	38,243
The Priory CE Primary School	5,557	7,409	1,894	556	926	490	2,167	16,318	3,267	3,397	574	36,997
St Thomas of Canterbury RC School	8,193	10,924	2,793	819	1,366	722	3,195	24,061	9,924	6,357	847	61,007
RICARDS LODGE HIGH SCHOOL	16,571	22,094	5,648	1,657	2,762	0	6,463	48,662	3,347	7,881	1,712	100,226
RAYNES PARK HIGH SCHOOL	11,255	15,007	3,836	1,125	1,876	0	4,389	33,052	4,334	8,713	1,163	73,496
Rutlish School	16,471	21,962	5,615	1,647	2,745	0	6,424	48,371	3,704	9,660	1,702	101,830
Wimbledon College	13,934	18,579	4,750	1,393	2,322	0	5,434	40,920	1,028	5,667	1,440	81,534
Ursuline High School	14,742	19,656	5,025	1,474	2,457	0	5,749	43,292	1,473	4,463	1,523	85,113
Expected contribution from Special Schools	6,634	8,845	0	663	1,106	584	2,587	19,482	4,688	4,400	686	43,041
TOTAL	300,000	400,000	100,000	30,000	50,000	20,000	117,000	881,000	212,000	199,000	31,000	2,040,000

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> Director of children’s services and personal staff for director (Sch 2, 15a) Planning for the education service as a whole (Sch 2, 15b) 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 not met from schools’ budget shares (Sch 2, 15c) 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 except duties specifically related to maintained schools (Sch 2, 15e) Consultation costs relating to non-staffing issues (Sch 2, 19)	<u>Statutory and Regulatory duties</u> Functions of LA related to best value and provision of advice to governing bodies in procuring goods and services (Sch 2, 56) Budgeting and accounting functions relating to maintained schools (Sch 2, 73) Functions relating to the financing of maintained schools (Sch 2, 58) Authorisation and monitoring of expenditure in respect of schools which do not have delegated budgets, and related financial administration (Sch 2,57) Monitoring of compliance with requirements in relation to the scheme for financing schools and the provision of community facilities by governing bodies (Sch 2, 58) 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, 59) Functions made under Section 44 of the 2002 Act (Consistent Financial Reporting) (Sch 2, 60)

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>Plans involving collaboration with other LA services or public/voluntary bodies (Sch 2, 15f)</p> <p>Standing Advisory Committees for Religious Education (SACREs) (Sch 2, 17)</p> <p>Provision of information to or at the request of the Crown other than relating specifically to maintained schools (Sch 2, 21)</p>	<p>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, 61)</p> <p>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, 62)</p> <p>Retrospective membership of pension schemes where it would not be appropriate to expect a school to meet the cost (Sch 2, 75)</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, 63); determination of conditions of service for non-teaching staff (Sch 2, 64); appointment or dismissal of employee functions (Sch 2, 65)</p> <p>Consultation costs relating to staffing (Sch 2, 66)</p> <p>Compliance with duties under Health and Safety at Work Act (Sch 2, 67)</p> <p>Provision of information to or at the request of the Crown relating to schools (Sch 2, 68)</p> <p>School companies (Sch 2, 69)</p> <p>Functions under the Equality Act 2010 (Sch 2, 70)</p> <p>Establish and maintaining computer systems, including data storage (Sch 2, 71)</p> <p>Appointment of governors and payment of governor expenses (Sch 2, 72)</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)
<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 (Sch2, 78)</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>General landlord duties for all buildings owned by the local authority, including those leased to academies (Sch 2, 14b)</p>	<p><u>Asset management</u></p> <p>General landlord duties for all maintained schools (Sch 2, 76a & b (section 542(2)) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings have:</p> <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>

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>Central support services</u></p> <p>No functions</p>	<p><u>Central support services</u></p> <p>Clothing grants (Sch 2, 52)</p> <p>Provision of tuition in music, or on other music-related activities (Sch 2, 53)</p> <p>Visual, creative and performing arts (Sch 2, 54)</p> <p>Outdoor education centres (but not centres mainly for the provision of organised games, swimming or athletics) (Sch 2, 55)</p>
<p><u>Premature retirement and redundancy</u></p> <p>No functions</p>	<p><u>Premature retirement and redundancy</u></p> <p>Dismissal or premature retirement when costs cannot be charged to maintained schools (Sch 2, 77)</p>
<p><u>Monitoring national curriculum assessment</u></p> <p>No functions</p>	<p><u>Monitoring national curriculum assessment</u></p> <p>Monitoring of National Curriculum assessments (Sch 2, 74)</p>
<p><u>Therapies</u></p> <p>No functions</p>	<p><u>Therapies</u></p> <p>This is now covered in the high needs section of the regulations and does not require Schools Forum approval</p>
<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>	

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>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 (new addition to CSSB, to be included in 2018-19 regulations).</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>	
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
LA Number:	315
Minimum level of per pupil funding level for secondary schools	

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	Yes	Pupil Units		24.00					
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
	Primary (Years R-6)	£3,305.31		17,142.17		£56,660,129	£91,520,756	48.25%	2.50%	
	Key Stage 3 (Years 7-9)	£4,326.74		4,599.00		£19,898,677		16.95%	2.50%	
	Key Stage 4 (Years 10-11)	£5,229.62		2,861.00		£14,961,950		12.74%	2.50%	
2) Deprivation	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
	FSM			2,172.23	1,175.00	£0	£7,076,605	6.03%	10.00%	10.00%
	FSM6	£1,147.37	£1,037.01	3,481.81	2,294.76	£6,374,614			10.00%	10.00%
	IDACI Band F	£30.00	£30.00	1,925.27	1,064.78	£89,702			10.00%	10.00%
	IDACI Band E	£50.00	£50.00	2,499.32	1,141.10	£182,021			10.00%	10.00%
	IDACI Band D	£70.00	£70.00	1,515.38	763.51	£159,523			10.00%	10.00%
	IDACI Band C	£90.00	£90.00	1,089.18	588.35	£150,978			10.00%	10.00%
	IDACI Band B	£100.00	£100.00	421.58	362.14	£78,372			10.00%	10.00%
	IDACI Band A	£130.00	£130.00	185.33	133.10	£41,396			10.00%	10.00%
3) Looked After Children (LAC)	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 (%)
4) English as an Additional Language (EAL)	LAC X March 16	£1,000.00		63.61		£63,609	£2,325,467	0.05%	0.00%	
	EAL 3 Primary	£376.50		4,729.11		£1,780,511		1.93%	0.00%	
5) Mobility	EAL 3 Secondary		£906.60		530.94	£481,347		0.00%	0.00%	0.00%
	Pupils starting school outside of normal entry dates			150.05	30.30	£0		0.00%	0.00%	0.00%
6) Prior attainment	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 (%)
	Low Attainment % new EFSP	100.00%	£759.27	38.26%	5,109.50	£3,879,493	£6,826,455	5.81%	100.00%	
	Low Attainment % old FSP 73			11.11%						
	Secondary low attainment (year 7)	48.02%	£1,627.69	24.13%	1,810.52	£2,946,961				100.00%
	Secondary low attainment (years 8 to 11)			24.31%						

Other Factors

Factor		Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum		£150,000.00	£150,000.00			£7,800,000	6.64%	0.00%	0.00%
8) Sparsity factor						£0	0.00%	0.00%	0.00%
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.									
Primary distance threshold (miles)		Primary pupil number average year group threshold		Fixed or tapered sparsity primary lump sum?		Fixed			
Secondary distance threshold (miles)		Secondary pupil number average year group threshold		Fixed or tapered sparsity secondary lump sum?		Fixed			
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold		Fixed or tapered sparsity middle school lump sum?		Fixed			
All-through schools distance threshold (miles)		All-through pupil number average year group threshold		Fixed or tapered sparsity all-through lump sum?		Fixed			
9) Fringe Payments						£0	0.00%		
10) Split Sites						£72,240	0.06%		
11) Rates						£1,799,910	1.53%		
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 FY17-18						£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools						£0	0.00%		
Additional funding to meet the minimum per pupil level of funding						£0	0.00%		
Exceptional Circumstance4						£0	0.00%		
Exceptional Circumstance5						£0	0.00%		
Exceptional Circumstance6						£0	0.00%		
Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)						£117,421,433	100.00%	£9,822,134	

14) Minimum Funding Guarantee		-1.50%	£6,978
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)			No
Capping Factor (%)		Scaling Factor (%)	
Total deduction if capping and scaling factors are applied			£0
			Total (£)
			Proportion of Total funding(%)
MFG Net Total Funding (MFG + deduction from capping and scaling)			£6,978
			0.01%
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)			£940,000.00
Falling rolls fund (if applicable)			
Additional funding to ensure minimum level of per pupil funding level for secondary schools			£0
Total Funding For Schools Block Formula			£117,428,411
% Distributed through Basic Entitlement			77.94%
% Pupil Led Funding			91.76%
Primary: Secondary Ratio			1 : 1.32
Total funding for schools block formula contains funding from outside of the 2018-19 Schools Block allocation?			No

This timetable shows the proposed consultation process and the key dates that must be met to ensure the 2018/19 budget can be issued to schools as soon as possible.

Date		Action
October	5 th	School Census date
October	11 th	Meeting of Schools Forum to discuss and agree the schools consultation document
October	13 th	Email electronic copy of consultation document to all Head Teachers
November	3 rd	Closing Date for the Schools Consultation
November	15 th	Outcome of the consultation considered by the Forum
Mid-December	Week commencing 11 th Dec	Publication of DSG schools block and high needs block allocations for 2018 to 2019 (prior to academy recoupment and HNB adjustments).
January	19 th	Submit final data for Schools Budget proforma to EFA
January	30 th	Schools Forum review Schools Budgets
February	5 th	Final budgets are distributed to schools

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

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

URN	LAESTAB	School Name	NOR 2017-18 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			24,480	402	1.64%	2.50%	46	273,329
102626	3152052	BOND PRIMARY SCHOOL	387	3	0.78%	0.00%	0.00	0
102628	3152055	Dundonald Primary School	292	3	1.03%	0.00%	0.00	0
102629	3152056	GARFIELD PRIMARY SCHOOL	407	2	0.49%	0.00%	0.00	0
102631	3152058	HATFIELD PRIMARY SCHOOL	388	7	1.80%	0.00%	0.00	0
102632	3152059	HOLLYMOUNT PRIMARY	398	4	1.01%	0.00%	0.00	0
102633	3152061	Joseph Hood Primary School	293	3	1.02%	0.00%	0.00	0
102634	3152062	LINKS PRIMARY SCHOOL	388	7	1.80%	0.00%	0.00	0
102635	3152063	LONESOME PRIMARY SCHOOL	371	2	0.54%	0.00%	0.00	0
102636	3152064	Merton Abbey Primary School	317	5	1.58%	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	207	4	1.93%	0.00%	0.00	0
102640	3152068	PELHAM PRIMARY SCHOOL	337	8	2.37%	0.00%	0.00	0
102642	3152070	Haslemere Primary School	406	7	1.72%	0.00%	0.00	0
102643	3152071	Poplar Primary School	539	8	1.48%	0.00%	0.00	0
102644	3152072	St. Mark's Primary School	209	8	3.83%	1.33%	2.78	16,678
102645	3152073	The Sherwood School	388	8	2.06%	0.00%	0.00	0
102646	3152074	SINGLEGATE PRIMARY SCHOOL	465	3	0.65%	0.00%	0.00	0
102647	3152075	WIMBLEDON PARK PRIMARY SCHOOL	577	8	1.39%	0.00%	0.00	0
102648	3152076	ABBOTSBURY PRIMARY SCHOOL	402	7	1.74%	0.00%	0.00	0
102649	3152077	WEST WIMBLEDON PRIMARY	414	3	0.72%	0.00%	0.00	0
102652	3152081	CRANMER PRIMARY SCHOOL	620	11	1.77%	0.00%	0.00	0
102653	3152082	GORRINGE PARK PRIMARY SCHOOL	539	3	0.56%	0.00%	0.00	0
102654	3152083	HILLCROSS PRIMARY	538	5	0.93%	0.00%	0.00	0
102655	3152084	LIBERTY PRIMARY SCHOOL	466	3	0.64%	0.00%	0.00	0
102656	3152085	STANFORD SCHOOL	302	6	1.99%	0.00%	0.00	0
102660	3152089	WILLIAM MORRIS PRIMARY SCHOOL	334	2	0.60%	0.00%	0.00	0
102661	3152090	WIMBLEDON CHASE PRIMARY SCHOOL	627	15	2.39%	0.00%	0.00	0
102662	3152091	Malmesbury Primary	392	3	0.77%	0.00%	0.00	0
132169	3152092	Aragon Primary	574	0	0.00%	0.00%	0.00	0
132167	3152094	ALL SAINTS' C OF E PRIMARY	304	7	2.30%	0.00%	0.00	0
102663	3153300	ST MATTHEW'S PRIMARY SCHOOL	197	6	3.05%	0.55%	1.08	6,501
102664	3153302	HOLY TRINITY C/E PRIMARY	403	4	0.99%	0.00%	0.00	0
102665	3153303	BISHOP GILPIN C OF E PRIMARY	438	6	1.37%	0.00%	0.00	0
102666	3153304	S S PETER & PAUL CATHOLIC PRIMARY	406	13	3.20%	0.70%	2.84	17,052
102667	3153500	SACRED HEART CATHOLIC PRIMARY SCHOOL	349	1	0.29%	0.00%	0.00	0
102668	3153501	ST TERESA'S PRIMARY SCHOOL	420	0	0.00%	0.00%	0.00	0
102669	3153502	ST MARY'S CATHOLIC PRIMARY SCHOOL	386	5	1.30%	0.00%	0.00	0
102670	3153503	St John Fisher RC Primary	411	7	1.70%	0.00%	0.00	0
102671	3153505	The Priory CE Primary School	392	4	1.02%	0.00%	0.00	0
102672	3153506	St Thomas of Canterbury RC School	578	6	1.04%	0.00%	0.00	0
133774	3153507	RICARDS LODGE HIGH SCHOOL	1159	13	1.12%	0.00%	0.00	0
102673	3154050	RAYNES PARK HIGH SCHOOL	769	26	3.38%	0.88%	6.77	40,603
102674	3154052	Rutlish School	1152	26	2.26%	0.00%	0.00	0
102679	3154500	Wimbledon College	983	54	5.49%	2.99%	29.39	176,350
102681	3154701	Ursuline High School Wimbledon	1040	21	2.02%	0.00%	0.00	0
102683	3155400	BENEDICT PRIMARY SCHOOL	293	5	1.71%	0.00%	0.00	0
140187	3152000	Park Community School	88	3	3.40%	0.90%	0.79	4,761
141027	3152001	Harris Primary Academy Merton	414	4	0.97%	0.00%	0.00	0
141143	3152002	Beecholme Primary School	205	3	1.46%	0.00%	0.00	0
138495	3154000	Harris Academy Morden	687	10	1.46%	0.00%	0.00	0
131897	3156905	Harris Academy Merton	908	12	1.32%	0.00%	0.00	0
134003	3156906	St Mark's C O E Academy	717	11	1.53%	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.

1. 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%

2. 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.
3. 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.
4. 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.
5. 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.
6. 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. .
7. 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.