

Title of meeting:	Schools Forum
Date of meeting:	20 January 2016
Subject:	2016-17 School Revenue Funding Arrangements and Dedicated Schools Grant Budget
Report from:	Alison Jeffery, Director of Children's Services
Report by:	Beverley Pennekett, Interim Finance Manager for Children's Services
Wards affected:	All Wards
Key decision:	No
Full Council decision:	No

1. Purpose of report

1.1. The purpose of this report is to:

- a. seek approval for the final stage of the submission to the Education Funding Agency (EFA) by the 21st January, of the 2016-17 mainstream school revenue funding pro-forma for the Primary and Secondary phases
- b. inform Schools Forum of the initial determination of the schools budget (including the individual schools budgets) for 2016-17 and to seek the necessary endorsement and approvals required.

2. Recommendations

It is recommended that Schools Members:

- a. **Endorse the proposed changes to the mainstream schools revenue funding formula as set out in section 6.**
- b. **Approve the de-delegated unit values for 2016-17 as shown at Appendix 3.**
- c. **Endorse the amount of the growth fund for 2016-17 at £365,000.**
- d. **Endorse the school funding pro-forma at Appendix 4 for submission to the EFA on the 21st January 2016.**

It is recommended that the Schools Forum:

- e. **Endorse the determination of the 2016-17 schools budget (including the individual schools budgets) shown at Appendix 1, together with the supporting explanations contained within this report and specifically agree the following budget lines:**
 - i. **Early years central expenditure;**
 - ii. **Admissions Service;**
 - iii. **Schools Forum.**
- f. **Endorse the 2016-17 Element 3 Top-up rates for the Special Schools Resourced Units and Alternative Provision settings as set out in Appendix 7.**
- g. **Endorse the decision that any carry-forward balances from 2015-16 be used to assist with the continued introduction of the funding reform changes and fund any potential financial pressures arising during 2016-17, for example, to support remodelling of SEND provision as set out in paragraph 8.11, subject to consultation with Schools Forum.**

3. Background & Previous Decisions

- 3.1. The Dedicated Schools Grant (DSG) is a ring-fenced grant for education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 3.2. Under the 'School and Early Years Finance (England) Regulations 2015, the Local Authority must not later than 29th February 2016:
 - a. Make an initial determination of their school budget; and
 - b. Give notice of that determination to the governing bodies of the schools they maintain.
- 3.3. Schools Forum has already received reports and has endorsed or made a number of decisions in respect of the revenue funding arrangements for 2016-17, which are summarised below.
 - 3.3.1. Approved the principles underpinning the revenue funding formula for 2016-17 for all Primary and Secondary Schools,
 - 3.3.2. Agreed in principle, the budgets to be de-delegated;
 - 3.3.3. Approved the revised criteria for allocating the Growth Fund.
- 3.4. The purpose of this report is to seek the necessary approvals and endorsements in respect of the remaining areas of the budget, which have yet to be finalised.

4. Financial Context

- 4.1. As in previous years the pressures in High Needs continues to grow. During this financial year, we have seen increasing costs for out of city placements for children with complex needs, in addition to the place and element 3 top-up costs associated with additional places needed at Mary Rose and Cliffdale from September 2015. Whilst the authority has been able to balance the overall budget for 2016-17, this has been partly due to additional funding £366,000 for High Needs being allocated from the Education Funding Agency (EFA).
- 4.2. The Autumn Statement and spending review in November 2015 contained a number of announcements which will have an impact on schools and Education from 2017-18 onwards, these include:
- Confirmation that the per pupil element for the dedicated schools grant and the pupil premium will be protected.
 - Confirmation that funding of the universal infant free school meals will continue
 - Offer of additional 15 hours free childcare for 3 and 4 year olds where families meet specific eligibility criteria.
 - Confirmation of the introduction of the National Funding Formula for schools, high needs and early years from 2017-18.
- 4.3. At this stage the detail behind the headlines has not been released but it is expected that the Department for Education (DfE) will consult on the National Funding Formula early in 2016 with a view to implementing from 2017-18.
- 4.4. The determination of the 2016-17 schools budget is set out in Appendix 1, with the supporting explanations set out in the following paragraphs.

5. Centrally Retained Budgets

- 5.1. The other centrally retained budgets include the Admissions service and the Schools Forum. In accordance with the regulations, these budgets will remain at the same value as in 2012-13.
- 5.2. At the Schools Forum meeting on the 21st October, maintained school members voted in principle and by phase to de-delegate specific budgets. The table at Appendix 3 shows the budgets which members agreed to de-delegate in 2016-17, together with the proposed unit values for 2016-17 and the comparative values for 2015-16.

- 5.3. The EFA has agreed with the following agencies to continue to purchase a single national licence managed by them for all state funded schools in England:
- Christian Copyright Licensing International (CCLI);
 - Copyright Licensing Agency (CLA);
 - Education Recording Agency (ERA);
 - Filmbank Distributions Ltd (for the PVSL);
 - Mechanical Copyright Protection Society (MCPS);
 - Motion Picture Licensing Company (MPLC);
 - Newspaper Licensing Authority (NLA);
 - Performing Rights Society (PRS);
 - Phonographic Performance Limited (PPL); and
 - Schools Printed Music Licence (SPML).
- 5.4. These licences are funded centrally; therefore a budget provision of £120,000 has been set aside in 2016-17.
- 5.5. It is proposed to de-delegate funding from maintained schools in 2016-17 for the CLEAPSS (Consortium of Local Education Authorities for the Provision of Science Services) licence. The proposed delegation rates are £0.12 per primary pupil and £0.28 per secondary pupil. There is an increase in the secondary pupil rate due to the additional radioactive elements annual visit which only applies to secondary schools.
- 5.6. There have been no calls on the Schools' specific contingency fund in 2015-16, so it is proposed to carry forward the outstanding balance on the 2015-16 fund to the 2016-17 school's specific contingency fund and to reduce the amount de-delegated to £5.00 per pupil. This will help to maintain the fund at a reasonable level to support schools if required, particularly as the numbers of maintained schools continue to reduce. There are no proposed changes to the current criteria, which are provided in Appendix 2.

6. School Revenue Funding Formula Changes 2016-17

- 6.1. At the Schools Forum meeting on the 21st October, the Schools Forum agreed the mainstream formula factors to be used in the 2016-17 school revenue funding formula, together with the choices that the Council had made in implementing these locally.
- 6.2. Schools Forum endorsed the draft funding pro-forma, which was then submitted to EFA. Two adjustments were required to the Pro-forma to correct the treatment of the MFG adjustment for Mayfield School and the national non-domestic rates for Gatcombe Park, following their conversion to Academy in February 2015, which increased the funding requirement by £67,269. EFA have now confirmed that the October draft

pro-forma is compliant with the regulations and the January Pro-forma includes the required amendments.

- 6.3. It has been agreed previously to reduce the Primary 'lump sum' from £130,000 to £115,000 for 2016-17. The purpose of this reduction was to continue to support the amalgamation process of primary phase schools by reducing the disincentive. The funding removed from the lump sum factor has been used to increase the primary 'basic per pupil entitlement' factor by £46.31 per pupil.
- 6.4. Whilst the outline formula was agreed in October, it was noted that final formula values for 2016-17 would be subject to change, in order to maintain affordability and minimise the impact of fluctuations in funding at the school level. At that time, it was agreed that changes would be limited to the following formula factors:
- Prior attainment
 - Basic Per Pupil Entitlement
 - Lump sum
 - The percentage of the financial cap
- 6.5. When the updated Authority Proforma Tool was released in mid-December, the EFA notified the authority that the Income Deprivation Affecting Children Index (IDACI) had been updated for September 2015 IDACI data. When this was applied to the October 2015 census data, the results showed a considerable reduction in the number of pupils eligible for IDACI funding, together with a movement from the high bands of deprivation to the lower deprivation bands. This resulted in a £2.2m reduction in the IDACI allocation to schools.

IDACI Band	Primary Pupils			Secondary Pupils		
	2015-16	2016-17	Variance	2015-16	2016-17	Variance
1	1,930.92	2,393.58	462.66	938.38	1,245.05	306.67
2	1,777.66	1,232.45	(545.21)	927.75	631.02	(296.73)
3	2,202.88	3,118.46	915.58	1,129.43	1,447.02	317.59
4	1,487.60	1,645.47	157.87	766.93	820.11	53.18
5	1,525.44	437.93	(1,087.51)	734.81	235.02	(556.78)
6	668.55	332.13	(336.42)	324.57	178.03	(146.54)
Total	9,593.04	9,160.02	(433.02)	4,821.87	4,556.26	(265.61)

- 6.6. Initial modelling has identified that adjusting the factors shown in paragraph 6.4 to redistribute the "unused" IDACI funding results in a high level of turbulence. It has always been the aim within Portsmouth to maintain stability of funding for schools as far as possible, recognising that any re-distribution of funding must be allocated via specific, pre-defined factors which have been set by the DFE. It is also important to consider the direction of travel towards a national funding formula. The DFE has published the "minimum funding levels" which could be used in

a national formula, and a shift away from the published unit values could create turbulence in future years, even if stability is achieved in the short term. The DFE's published minimum funding levels are shown at appendix 5.

- 6.7. Further modelling was undertaken by increasing the unit rate paid for the free school meals ever6 (FSM6) factor (which was below the minimum funding level) to £237.25 for primary pupils and £299.83 for secondary pupils. Whilst this improved the relative turbulence across all schools, there were still some schools who were seeing significant funding fluctuations due to a reduction in pupils qualifying for support in the higher IDACI bands.
- 6.8. By removing funding from IDACI Bands 1 and 2 (i.e. those containing the least deprived pupils), it was possible to increase the basic per pupil entitlement for all schools, which reduced the turbulence to a more manageable level, whilst ensuring that the FSM6 unit value moved closer to the minimum funding level and reduced reliance on the minimum funding guarantee.
- 6.9. A handful of schools have seen a reduction in their funding which they would not be able to connect directly to reducing pupil numbers. These have been investigated and the schools concerned have been contacted to explain the reasons for the differences so that they are able to start planning for any action they may need to take.
- 6.10. When approving the 2015-16 budget, the authority was aware of a number of pressures within the high needs areas which it took steps to fund by ceasing or reducing other funding streams within the DSG, this included a reduction to the basic per pupil entitlement of £22 for both primary and secondary phase pupils for which schools received protection via the minimum funding guarantee. At the end of 2014-15, a number of the anticipated pressures that were expected to impact from September 2014 had not materialised due to proactive work carried out by the SEND Team. This led to a higher than expected carry forward for 2014-15, leading to a brought forward balance on the DSG of £4.585m to 2015-16. At this stage of the financial year, we are expecting the carry forward balance to 2016-17 to be a similar amount.
- 6.11. It is therefore proposed to use part of the available balance to increase the 2016-17 basic per pupil entitlement by £22 for both primary and secondary phase pupils. It is hoped that the additional £22 per pupil will be a permanent increase, although this will need to be reviewed next year.
- 6.12. Following submission of the October Funding Pro-forma and the proposed Growth Fund criteria, the EFA requested a clarification of when payments to academy schools would be made. In light of this the Growth Fund criteria have been updated and the revised criteria are included in

Appendix 6. The amount set aside for the Growth Fund for 2016-17 remains at £365,300.

- 6.13. The final proposed funding pro-forma for 2016-17 is attached at Appendix 4.
- 6.14. Mainstream schools and academies will be notified of their 2016-17 final budget share after the Education Funding Agency has confirmed that the pro-forma complies with the legislation and no later than 29th February 2016.

7. Early Years

3 & 4 year old provision

- 7.1. No changes are proposed to the funding formula or rates applied to the three and four year old provision.
- 7.2. The provisional allocation of funding for 3 and 4 year olds is based on the January 2015 census; this will be updated in July 2016 for the January 2016 census. There is no change to the Early Years Block Unit of Funding for 2016-17, which remains at £4,175.76 per Full Time Equivalent (FTE) pupil.
- 7.3. The 2016-17 provisional funding allocation totals £8.201m for 1,964 FTE. Current funding requirements estimated on the actual pupil numbers for the Summer and Autumn 2015 terms and a 3 year average of the Spring term are indicating pupil numbers of 1,945 and direct costs of £7,830,474
- 7.4. The 3 and 4 year old pupil premium funding remains at the January 2015 estimate of £218,000.
- 7.5. As mentioned earlier in this report, the Government is minded to expand entitlement to provide up to 30 hours of free childcare for 3 and 4 year olds whose parents meet specific criteria. It is expected that the additional entitlement will be implemented nationally from autumn 2017, following findings from a number of early adopters who are expecting to implement from September 2016. Whilst the DfE have announced uplift to the average national rates, they state that actual distribution rates for local authorities have yet to be decided.
- 7.6. In addition to the increase in free childcare for 3 and 4 year olds, the government has announced that they will introduce a national funding formula for early years. The DfE will be consulting on the proposals in 2016.

2 year old provision

- 7.7. No changes are proposed to the funding formula or rates applied to 2 year old provision.
- 7.8. In July 2015 the EFA adjusted the funding for 2 year olds from the previous lump sum arrangements, which included trajectory funding, to funding related to participation. This was based on the January 2015 census, which resulted in a reduction in funding of £701,000 (144 FTE pupils).
- 7.9. The authority participated in the voluntary autumn census which was submitted on the 27th November. Results of the submission suggest a potential increase in 2 year old funding of £81,480¹. The authority will receive final confirmation of any adjustment to the funding allocation in January 2016.
- 7.10. There will be a final adjustment for 2015-16, 2 year old funding in July 2016, so that the final allocation reflects participation based on 5/12 of the January 2015 and 7/12 of the January 2016 census.
- 7.11. The estimates included within the Budget at Appendix 1 have assumed that the number of two year olds required to be funded in the summer, autumn and spring terms will be 888, 934 and 983 respectively.
- 7.12. However, as the EFA will be setting the funding for 2016-17 based on the January 2015 census with a later adjustment for the January 2016 census, it has been assumed that the income received will be based on 5/12 of the January 2015 census and 7/12 of the Autumn census, as a near approximation of the January 2016 census.. These assumptions will need to be reviewed during the financial year as further information becomes available.

8. High Needs

- 8.1. Details in respect of the High Needs budgets and the financial pressures for 2016-17 are set out below.

Place Funding

- 8.2. The place funding value for Special Schools, Resourced Unit and Alternative Provision settings remains at £10,000 per agreed commissioned place.

¹ Calculated on 29 additional FTE @£4,816.50 divided by 12 months and multiplied by 7 to cover the period September 2015 to March 2016.

- 8.3. The table below shows the agreed commissioned places for the Special Schools in 2016-17, together with the anticipated additional places required to be funded for the 2015-16 academic year Summer Term and the first two terms of the Academic year 2016-17. These numbers have been agreed with the schools concerned, although additional place funding will only be incurred if the places are filled.

School	Original Agreed Commissioned Places 2016-17	Additional Places Academic Year 2016-17*	Total places 2016-17 financial year
Cliffdale	104	12	116
Harbour	84	-	84
Mary Rose	132	8	140
Redwood Park	141	-	141
Willows	42	-	42
Total	503	20	523

* Additional places required when compared to original agreed commissioned places

- 8.4. There are no proposed changes to the commissioned number of Alternative Provision places at Flying Bull Academy. The authority has agreed an additional two emergency places at Flying Bull Academy, which will be funded by the authority.
- 8.5. Following the start of the SEMH review, the 151 Alternative Provision places at The Harbour School are currently being reviewed. Any proposed changes to the number of places at the Harbour School, will need to be agreed by 29th February in order to comply with the regulations. The budget currently contains funding for all 151 places.

Element 3 Top-up Funding

- 8.6. No changes are proposed to the current Element 3 Top-up funding rates for pupils in Special Schools, Resourced Units and Alternative Provision settings for pupils placed by the Local Authority in 2016-17. The proposed rates for 2016-17 are shown in Appendix 7.
- 8.7. Although there have been no changes proposed to the top-up funding rates, the budget provision has been amended to reflect the changes arising from a growth in the number of places and the known and forecast effect of 'band creep'.

Out of City Placements

- 8.8. The cost of out of city placements is forecast to increase by £200,000 to £1.75m in the current year, due to the continued number of active

placements. There are currently 31 children in placements out of the city, and this is not expected to reduce in the short to medium term. The average cost of a placement is £53,105, although the cost of individual placements varies enormously and the current maximum placement cost is £136,900.

- 8.9. The Inclusion Service has reviewed all out of city placements to determine whether any of the pupils are able to be educated within Portsmouth, but the children in such placements do tend to have very complex needs and therefore require very specialist, high cost placements. It should be noted, however, that overall, Portsmouth has a low number out of city placements when compared to other authorities.

High Needs infrastructure

- 8.10. A review of the current special school provision has shown that, in order to reduce costs of out of city placements by accommodating more pupils with complex needs within the city, we will need to invest in the available in-house provision.
- 8.11. It is therefore proposed to seek approval from the Secretary of State to utilise £2m of the carry forward as a one-off contribution to capital to fund the remodelling of the in-house specialist provision. This should reduce the number of pupils being placed in costly out of city provision, and therefore the pressure on the DSG. A more detailed report will be brought to the next meeting and if the proposal is agreed, a request will be sent to the Secretary of State for the appropriate approvals.

9. Dedicated Schools Grant

- 9.1. On the 17th December 2015, the EFA announced the Dedicated Schools Grant Allocations for Portsmouth for 2016-17; which amounted to £133.866m² (excluding two year old funding of £2.177m). This compares to £131.298m for 2015-16. These allocations include the funding for both maintained schools and Academies; therefore the amount received directly by Portsmouth City Council will be less.
- 9.2. The EFA have released an additional £92.5m of funding for High Needs, of which Portsmouth's share is additional funding of £366,000. As advised earlier in this report, this will be used to support the increase in costs within the Out of City Placements and the band creep within Element 3 Top-up funding.
- 9.3. The Early Years Block initial funding allocation will be updated by the EFA in July 2016 following the January census count.

² Excluding early years pupil premium of £0.218m and 2 year old funding £2.177m

- 9.4. The funding allocation for Portsmouth is shown in the table below. The amount expected to be received directly by Portsmouth City Council is £92.324m, excluding funding for academies. The funding received directly will continue to change during the year as schools convert to Academy status, since they will receive their funding directly from the Education Funding Agency rather than from the Council.

DSG Funding	2016-17		
	Inc. Academies	Academy impact	Exc. Academies
	£m	£m	£m
Schools Block	109,403	(40,148)	69,255
Early Years Block*	8,201		8,201
High Needs Block	16,045	(2,770)	13,275
2 Year Old Funding*	2,177		2,177
TOTAL	135,826	(42,918)	92,908

* This is a Provisional Allocation which will be updated later in the year. Excludes early year's pupil premium of £0.218m.

10. Carry Forward Balances

- 10.1. At this stage in the financial year we are unable to confirm what the final carry forward balance will be, although indications are that this could be in the region of £5.095m. Any carry-forward balance would be a one-off funding source and therefore should be used to support one-off expenditure items rather than recurring expenditure budgets.
- 10.2. In setting the budget for 2016-17, it is prudent to retain a healthy carry forward balance to assist with the continued introduction of the National Fair Funding Formula arrangements and to support the potential financial risks and pressures arising in 2016-17.
- 10.3. As referred to earlier in the report, a proposal will be brought forward to allocate £2.0m of the carry forward to SEND remodelling works in 2016-17 on a one-off basis, which, if successful, would leave a potential carry forward of £3.095m.

11. Reasons for recommendations

- 11.1. Schools Forum are recommended to approve the proposals contained within this report. Under the 'School and Early Years Finance (England) Regulations 2015, Local Authorities must not later than the 29th February 2016 make an initial determination of their schools' budget.

12. Equality impact assessment (EIA)

12.1. This report does not require an Equality Impact Assessment as the proposal does not have any impact upon a particular equalities group.

13. Legal comments

13.1. The School and Early Years Finance (England) Regulations 2015 require local authorities to make an initial determination of their schools budget by the 29th February 2016. The recommendations in this report have regard to the requirements of those regulations and in particular identify elements of the proposals in respect of which the Schools Forum's specific endorsement is required.

14. Head of Finance comments

14.1. Financial comments have been included within the body of this report.

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Signed by:

Appendices:

- Appendix 1 - Dedicated Schools Grant Budget 2016-17
- Appendix 2 - De-delegated contingency criteria 2016-17
- Appendix 3 - De-delegated unit values 2016-17
- Appendix 4 - School funding pro forma 2016-17
- Appendix 5 - DFE published minimum funding levels 2015-16
- Appendix 5 - Growth Fund criteria 2016-17
- Appendix 6 - Element 3 Top-Up Rates 2016-17

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
2016-17 Revenue Funding Arrangements: Operational Information for Local Authorities	Gov.UK Website

The School and Early Years Finance (England) Regulations 2015	www.legislation.gov.uk
Fairer schools funding: arrangements for 2015 to 2016 (including published minimum funding levels)	Gov.UK Website
School revenue funding working papers	Education Finance

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member on 21st January 2016.

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Signed by:

Appendix 1 - Dedicated Schools Grant Budget 2016-17

	Revised 2015-16 Budget (including Academies)	Estimated Budget Revisions	2016-17 Schools Budget (including Academies)	2016-17 Schools Budget (excluding Academies)
	£000	£000	£000	£000
Individual School Budgets (ISB)				
Primary	60,707	830	61,537	46,601
Secondary	43,633	699	44,332	19,120
Special School Place Funding	5,188	9	5,197	2,837
Resourced Unit Place Funding	901	24	925	635
Alternative Provision Place Funding	1,494	156	1,650	1,530
	111,923	1,718	113,641	70,723
De-delegated and central budgets				
Growth Fund	365	-	365	365
De-delegated budgets	535	(58)	477	477
Licences	120	-	120	120
Schools Forum	15	-	15	15
Admissions	252	-	252	252
	1,287	(58)	1,229	1,229
Early Years				
3 & 4 Year Old Provision ¹	7,934	114	8,048	8,048
2 Year Old Provision	2,878	(546)	2,332	2,332
Central Expenditure on under 5	599	-	599	599
	11,411	(432)	10,979	10,979
High Needs				
Element 3 Top-up funding	6,605	565	7,170	7,170
Out of City Placements	1,550	200	1,750	1,750
SEN Support Services	687	20	707	707
Medical Education	573	-	573	573
Outreach Services	187	-	187	187
Fair Access Protocol	60	-	60	60
	9,662	785	10,447	10,447
Total Expenditure	134,283	2,013	136,296	93,378
DSG Income ²	(131,187)	(2,462)	(133,649)	(90,731)
DSG Income (2 Year Old Funding) ³	(2,878)	618	(2,260)	(2,260)
3 & 4 year old pupil premium	(218)	-	(218)	(218)
One-off use of Carry Forward	-	(169)	(169)	(169)
Total Income	(134,283)	(2,013)	(136,296)	(93,378)

¹ Includes pupil premium for 3 and 4 year olds

² Per EFA allocations 17th December including provisional Early Years funding

³ Estimated funding. Initial allocation will be announced by EFA in June 2015

Appendix 2 - School's specific contingency criteria

School Specific Contingency

Applies to: Maintained Schools only

Purpose of the fund

The School and Early Years Finance (England) Regulations, permit the creation of a 'schools specific contingency' via the de-delegation of funding through the schools revenue funding formula. The contingency fund supports only Primary and Secondary maintained schools.

The purpose of the fund is to support maintained Primary and Secondary schools that have incurred expenditure, which it would be unreasonable to expect them to meet from the schools budget share. This may include:

- schools in financial difficulty
- new, amalgamating or closing schools
- the writing-off of deficits of schools which are discontinued, excluding any associated costs or overheads
- other expenditure where the circumstances were unforeseen when initially determining the schools budget share.

Section 4 of the Scheme for Financing Schools continues to apply in respect of schools that are or are likely to be facing a deficit balance.

Criteria for accessing the fund

The fund is only available to maintained Primary and Secondary Schools in Portsmouth

Where as a result of exceptional expenditure or loss of income a school is experiencing financial difficulty, or has incurred other expenditure which it would be unreasonable to expect the school to meet from its budget share, then financial support will be considered for eligible schools where the following criteria are met:

- The costs or loss of income **must** have had a disproportionate effect on the schools budget.
- The costs or loss of income:
 - arose as a consequence of decisions by bodies outside of the control of the school or its governing body;
 - are exceptional in nature;
 - could not have been foreseen by the school or governing body.

- The governing body has taken steps to mitigate the impact, where possible.
- Additional costs for new, amalgamating or closing schools:

Criteria for new maintained schools:

Funding of costs in respect of the initial set-up of new maintained schools will be considered where a business case has been submitted by the school which sets out the expected costs to be incurred; and the following conditions are met:

- The increased school places are required in order to meet basic need within the area and have been agreed with the Local Authority.
- The increased places relate to pre-16 pupils.
- Any funding allocated would be to support the following areas of expenditure:
 - Initial leadership team capacity
 - Initial secretarial support
 - publicity, promotion and advertising of the new school
 - consultancy
 - curriculum costs
 - recruitment costs
 - other revenue costs related to set-up of the new school

One-off funding will be allocated based on the business case submitted, up to a maximum funding allocation of £445 multiplied by the total number of additional places anticipated to be created in the school.

Criteria for amalgamating schools:

Where two or more schools amalgamate, an amount equivalent to the closing balances of the previously maintained schools will be allocated to the new school.

Criteria for closing schools:

In the case of closing maintained schools, which are not amalgamating or converting to academies status under the Academies Act 2010, the contingency may fund additional costs where the school has insufficient balances and the costs are eligible to be funded from the Dedicated Schools Grant.

Where a maintained school is discontinued, any remaining deficits balances may be charged against the contingency. Where it is necessary to use the contingency for this purpose it will be reported to the Schools Forum at the next scheduled meeting.

Decision Making Process

Where a school believes that their circumstances warrant support from the 'schools contingency fund', then governing body should submit a request to the Finance Manager for Education and Children's Services.

The submission will be reviewed by the Head of Education and the Finance Manager for Education and Children's Services. The level of the schools revenue and capital balances will also be considered as part of the review of any submission.

Any application which the Head of Education and the Finance Manager for Education and Children's Services assess as meeting the above criteria, will be presented to the Schools Forum at the October and February meetings to make the final decision as to whether to provide financial support from the fund.

Appendix 3 - De-Delegated Budgets

Expenditure Item	Phase	Basis	De-Delegation Rates		Notes
			2015-16 £	2016-17 £	
Administration of Free School Meals	Primary	NOR	£1.25	£1.62	Increased to cover the 2016-17 pay award and the increased volume of eligibility checks
	Secondary		£1.71	£2.22	
Licences & Subscriptions	Primary	NOR	£0.11	£0.12	Includes the CLEAPSS Licence for primary and secondary and radioactive element visits for secondary schools only
	Secondary		£0.11	£0.28	
Union Duties	Primary	NOR	£3.53	£3.53	The de-delegation relates to Union Duties only in 2016-17.
	Secondary		£3.53	£3.53	
Museum & Library Service	Primary	NOR	£1.12	£1.12	Primary schools only.
Schools Contingency Fund	Primary & Secondary	NOR	£10.00	£5.00	Reductions due to planned use of 2015-16 carry forward on fund.
Behaviour Support	Primary	NOR	£13.52	£13.52	Primary schools only. Secondary schools can purchase a traded service from the Harbour School.
	Primary	FSM	£40.14	£40.14	

NOR = Number on roll

FSM = Free school meals factor

Appendix 4 - School Funding Pro forma

Please see separate document.

Appendix 5 - DFE published minimum funding levels

		Primary	Secondary
Age weighted pupil unit		£2,880	Key stage 3: £3,950 Key stage 4: £4,502
Pupils who have been eligible for free school meals in the past six years		£882	£1,052
Pupils who live in an area that is in one of the income deprivation affecting children index (IDACI) bands	IDACI 1	£209	£289
	IDACI 2	£260	£379
	IDACI 3	£347	£470
	IDACI 4	£422	£554
	IDACI 5	£477	£614
	IDACI 6	£691	£819
Looked after children		£1,004	£1,004
Pupils with low prior attainment		£669	£940
English as an additional language		£466	£1,130
Lump sum		£115,797	£125,155

Appendix 6 -2016-17 Growth Fund Criteria

Exceptional Growth Fund- 2016-17

Applies to: Maintained schools and Academies

Increasing Published Admission Number.

Criteria

Funding will be allocated within four weeks, to those schools who meet the following criteria:

- Approval of the change in Published Admission Number (PAN) by the Cabinet Member for Children and Education, if the increase will be implemented in the current financial year; or
- In the case of academy schools, receipt of notification of the increase in PAN, where the criteria below are met; or
- The start of the financial year in which the increase in the PAN is implemented.

'Growth funding will be allocated to schools where:

- *The Council carries out a formal consultation and approves to increase the capacity of a school*
- *A school or academy carries out a formal consultation at either the request of the council or is supported by the Council*
- *The Council requests a school/academy to increase their PAN to meet localised demand, including increases in pupils to meet demand from new housing developments.*

Methodology

The allocation from the growth fund to schools, which meet the above criteria, will be as follows.

The payment for the period 1 September to the 31 March for each full form entry of 30 pupils will be equal to:

- 7/12th salary cost of a 1 FTE teacher (main scale 6)
- 7/12th salary cost of 0.5 term time only teaching assistant (band 4 point 15)
- £3,000 towards the cost of resources and materials

For Academies an additional 5/12th will be allocated for the period 1 April to 31 August.

Funding will be pro-rated for part form or multiples of full form entry, for example:

- The total sum above will be multiplied by 0.5 for a part form entry of 15 pupils
- For an increase of one and a half form entry the total sum will be multiplied by 1.5.

Where any pay awards have not been decided at the time of the payment, payment will be made on the basis of the pay tables that are in use at the time. There will be no back dated payment if a subsequent pay award is agreed at a later date and backdated.

A payment will be made for each year that the school is growing until, the earliest of the following:

- The school reaches full capacity attributable to the increase in PAN approved by the Cabinet Member for Children and Education
- The Growth Fund criteria change due to affordability
- There is a change in the funding formula as directed from the Education Funding Agency.

No allocation will be made to a school or academy where the school or academy:

- *Has surplus places and then takes additional children up to the PAN*
- *Admits over PAN at their own choice*
- *Admits extra pupils where those pupils have a reasonable alternative school place*
- *Is directed and/or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN, LAC etc. as these numbers will be low on an individual school basis.*

'Funding will not be allocated from this fund to a school which has received additional funding in the year, through its budget share, as a result of an agreed variation in its pupil numbers.'

For example – primary school

School has been requested by the Local Authority to increase the PAN from a 1^{1/2} form entry to a two form entry from September 2016, this was approved by the Cabinet Member for Children and Education in October 2015.

Whilst the increase was agreed in 2015-16, the payment will be made in financial year 2016-17 as this is the year in which the changes come into effect.

The increase in PAN is for half a form entry of 15 pupils therefore the payment will be pro-rated by 0.5.

7/12th salary cost of a 1 FTE teacher (main scale 6)



$\text{£}39,835/12 \times 7 = \text{£}23,237$

7/12th salary cost of 0.5 FTE teaching assistant (band 4 point 15)
 $(\text{£}16,488/52 \times 46.9 \times 0.5)/12 \times 7 = \text{£}5,088$

£3,000 towards the cost of resources and materials

Total = $\text{£}31,325 \times 0.5 =$ Total payment to school $\text{£}15,662.50$

Appendix 7 - Element 3 Top-Up Rates 2016-17
Special Schools

	Cliffdale	Harbour	Mary Rose	Redwood	Willows
	2016-17	2016-17	2016-17	2016-17	2016-17
	£	£	£	£	£
Band A	18,834	18,011	19,461	21,283	20,182
Band B	10,486	9,859	11,246	11,898	12,462
Band C	8,844	8,255	9,629	10,051	10,943
Band D	7,491	6,933	8,299	8,529	9,692
Band E	5,802	5,284	6,636	6,630	8,130
Band F	3,475	3,012	4,346	4,014	5,978
Band G	2,663	2,219	3,547	3,101	5,227
Band H	1,191	781	2,098	1,446	3,866

Note: the top-up rate for places in Stamshaw is £28,190

Resourced Units

	2016-17
	£
Devonshire Infant	0
Milton Park	8,476
Northern Parade Junior	0
Penhale Infant	101
Portsdown	0
Southsea Infant	2,731
Victory	1,934
Craneswater Annex	25,448
St Edmunds	0

Alternative Provision

	2016-17
	£
Flying Bull	4,638
Harbour	2,714