

SCHOOLS FUNDING PACK

Funding for Sefton Schools 2018/19

EXECUTIVE SUMMARY:

Introduction:

The dedicated schools grant (DSG) was amended in 2018/19 to include an extra block of funding in respect of Central Schools Services. The 4 funding blocks include (Schools, Early Years, High Needs and Central Schools Services).

Funding for schools in 2018/19 has been increased by +0.5% per pupil with no school losing funds against its 2017/18 baseline. A per pupil minimum funding level has also been fixed at £3,300 per Primary pupil and £4,600 per Secondary pupil. These minimum levels are expected to increase to £3,500 and £4,800 respectively in 2019/20. Similarly, a further +0.5% per pupil growth funding will also be applied in 2019/20. This was part of an announced £1.3bn extra funding injection to schools over two years (2018/19 –2019/20).

The new national funding formula (NFF) is expected to be implemented from April 2020, subject to changes in Primary legislation; and Local Authorities have been given an option to move towards the NFF allocation in 2018/19, or maintain their own local funding formula over the next two years. Sefton's Schools Forum have opted to maintain the local formula as the best way to avoid many schools losing funds through the application of the new NFF formula values.

It is uncertain at this stage what will happen from 2020/21 should the new NFF commence and Local Authorities have not moved nearer to the new allocations. It is anticipated that some sort of transitional funding protection would be necessary to protect schools, with a more gradual move towards the new funding allocations.

In 2018/19, Local Authorities were given the flexibility to consult with schools and seek permission from their Schools Forum, to transfer up to 0.5% of the schools' DSG allocation towards their High Needs budget pressures. Sefton requested a contribution of £0.450m from schools, and a further £0.200m from Early Years towards anticipated High Needs budget pressures in 2018/19.

For the first time in 2018/19, Local Authorities were allowed to set a local MFG factor. This is the level of protection available through the funding allocation to ensure that no school loses more than a given percentage of their previous year's baseline. In previous years the Government has set MFG at -1.5%. After consulting primary and secondary Headteachers Sefton has chosen, as the best fit for its budget allocations, an MFG of -0.5% using the new flexibility in 2018/19

Key Settlement information:

Sefton's 2018/19 DSG allocation has been confirmed at £200.144m (see section 3.1.1 below)

Pupil Premium Grant funding for deprived pupils will remain at 2017/18 per pupil rates (see section 2.3.1) except for Pupil Premium LAC, which has increased from an allocation of £1,900 per pupil to £2,300 per pupil from April 2018 (Pupil Premium Plus). It is anticipated

that the Virtual Head teacher will be using this increase to support some teaching for LAC pupils across the Borough.

During 2017/18 the extended 15 hours 3-4 year old childcare entitlement for working parents was introduced. This has had a good take up and funding in 2018/19 has increased accordingly to support a full year.

DSG Allocation:

Further extended detail of the DSG allocation and other key funding information is provided at sections 2 and 3 below.

Schools Block:

The local schools funding formula model, used to determine the 2018/19 delegated budget share for individual schools, remains largely unchanged from the current 2017/18 model ahead of the impending introduction of the new NFF from April 2020. The element for LAC has been removed from the formula and any headroom funding has been put through AWPU and Deprivation. The MFG was fixed at -0.5% with a funding cap of 1.3%.

Local maintained primary and secondary schools are permitted to de-delegate a number of service areas with the associated funding being given to the Local Authority (LA), for them to manage and deploy on behalf of schools. Schools Forum members for each sector have determined which service areas will be de-delegated in 2018/19, and further information is provided at section 4.2.1

The LA continues to have a number of statutory functions/duties (i.e. Admissions; Schools Forum; statutory work across all schools etc.) which can be charged against the schools block subject to restrictions laid in regulations and appropriate Schools Forum approval. These areas were extended in 2018/19 to charge Maintained schools for other ongoing statutory functions, previously funded by Government Grant (Education Services Grant), to LA s, which was cut, as part of austerity measures in 2017/18. Full details of central services are provided at sections 4.3.1 to 4.4.2

Early Years:

Under the Schools and Financial Regulations, Local Authorities can apply a Minimum Funding Guarantee calculation to its hourly rate for 3-4 year old childcare provision of - 1.5%. However, in line with previous years, it has been agreed with Schools Forum, that this would not be applied to Sefton's rates allowing the greatest amount of funding to reach providers.

The extended two year old offer of 15 hours per week of free education targeted at the 40% most deprived children will continue to be allocated at a flat national rate (£5.22 per hour) and provides Sefton with an indicative 2018/19 allocation at £2.959m. Sefton will allocate providers an hourly rate at £4.90 per hour with the additional £0.32 per hour retained centrally to support costs / ensure budget stability/sustainability. The universal rate payable for all 3-4 year old provision, including the extra hours of childcare remains the same as 2017/18, at £4 per hour, plus between £0.05p and £0.15p per hour deprivation funding.

The Early Years Pupil Premium introduced in April 2015 and targeted at three and four year olds from deprived wards will continue as a separate specific grant and remains at approx. £312 per child p.a.

There is also a disability access grant of £615 per child pa payable to providers for children claiming Disability Living Allowance, to encourage more children with SEND to participate in Early Years provision. This grant was first introduced in 2017/18 as part of the DfE's review of Early Years funding.

High Needs:

Special Schools will continue to be funded via the place-plus funding model (i.e. £10,000 per place) and top-up funding rates will remain as per 2017/18. However, the pupil element of the place funding for Resourced Unit Provision has been transferred by the DfE from High Needs funding into the main schools formula funding block from April 2018.

Pupils at Resourced Units were included in the schools census data at October 2017 and therefore now attract formula funding per pupil in replacement of the pupil element funding from High Needs block (£4k). The High Needs Block will continue to support pupils in Resourced Units with element 2 Place funding at £6,000 per pupil, plus appropriate top up funding. Any vacant pupil places not included in the school census data, at October 2017, will continue to be funded by High Needs at the full place value of £10,000 per empty place. The number of places to be commissioned at each school and the total funding due is detailed at **Annex E & F**.

Notional SEN

The LA is required by regulation to identify the formula factor elements within the local formula model that determine each schools "Notional SEN" budget and this is defined at **Annex I**.

The following key information is provided in more detail at the relevant sections of the budget pack:

- Outline of all the supporting school tables of finance information – Section 7;
- A guide on the possible influences of changes in funding levels to assist year on year school comparison – Section 8;
- Universal Infant Free School Meals (UIFSM)& PE & Sport Premium updates – Section 9;
- Devolved Formula Capital (DFC) update – Section 10;
- Budget Setting information (including Deficit budget planning and the Managing Employee Reduction (MER) process) – Section 12;
- School Balances – Section 13; and
- Summary of all tables and appendices – Section 15 & 16.

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SCHOOLS FUNDING PACK

Funding for Sefton Schools 2018/19

1. INTRODUCTION

- 1.1.1 The dedicated schools grant (DSG) for 2018/19 included +0.5% per pupil growth, with no school losing funding against their 2017/18 baseline. Funding is allocated across four notional funding blocks;
- Schools block;
 - Early Years block; and
 - High Needs block
 - Central Schools Support Services block.
- 1.1.2 The total funding allocated by central government continues to be ring-fenced and governed by the Schools Financial Regulations, 2017 and can only be spent on; and in support of schools and its pupils.
- 1.1.3 Justine Greening, the then Education Secretary of State announced in the summer of 2017, that the Government were putting £1.3bn extra funding into schools budgets over the two years 2018 - 2020. This equated to a +0.5% per pupil uplift in funding, with the guarantee that no school would lose funding against its 2017/18 baseline funding.
- 1.1.4 The funding settlement also determined that, as a minimum, funding per pupil should be at least £3,300 per Primary pupil and £4,600 per Secondary school in 2018/19. Local Authorities could decide, in consultation with their Schools Forum whether to move towards the NFF over the next two years, or retain their existing local formula. Sefton opted for the latter choice to stay with its own local formula.
- 1.1.5 The Pupil Premium Grant (PPG) and Early Years Pupil Premium (EYPP) are additional specific grant funding streams allocated to schools/providers and continue to be a specific government priority investment. The additional funding is targeted to provide pupils from deprived backgrounds with more opportunities to reach their full potential and thus reduce the attainment gap with their fellow peers who are not eligible for free school meals. In 2018/19 a Pupil Premium Plus has been set for Looked after Children increasing PPG LAC from £1,900 per pupil to £2,300 per pupil.
- 1.1.6 The Local Authority (LA) continues to work closely with Schools Forum in all local/national education funding matters as part of its wider dialogue and communication with all key stakeholders.

2. SETTLEMENT

2.1.1 Dedicated Schools Grant (DSG)

The 2018/19 DSG allocation will continue to be allocated largely on the basis as the 2017/18 local formula and the following measures/controls have been confirmed:

- DSG allocated in four notional blocks (Early Years, Schools; High Needs; and Central Schools Services);
- Headroom in the funding has been allocated across AWPU and Deprivation with the introduction of the use of Ever6 FSM factor for secondary schools.
- The formula element for LAC has been removed in 2018/19.
- Minimum funding guarantee (MFG) protection will continue to be applied to schools delegated budgets ensuring no school will face a funding reduction of more than -0.5% per pupil in 2018/19. This is a departure from the standard -1.5% MFG figure applied by the DfE over the last number of years. (The NFF Model assumes a 0% MFG and places greater emphasis on deprivation factors over AWPU. This does not match Sefton's local funding formula very easily.)
- The formula applies the DfE's minimum per pupil funding for 2018/19 of £3,300 per Primary Pupil and £4,600 per Secondary pupil.
- During the budget process for 2018/19, Schools were consulted on, and agreed a transfer of £0.450m from their funding towards High Needs budget pressures in 2018/19. This was accepted by schools forum.

2.1.2 The 2018/19 Schools Funding arrangements provide Sefton with a baseline DSG allocation of £200.144m (before any Academy/High Needs recoupment).

2.2.1 Early Years National Funding Formula

Early Years funding has been settled for 2018/19, following a new formulaic approach to the calculation of the national allocations from 2017/18. Sefton's Early Years funding has increased by £1.2m in 2018/19, to allow for a full year of the extra 15 hours of 3-4 year old childcare for working parents, which started from September 2017.

No change has been made to the local funding of providers in 2018/19, and a universal base rate of £4 per hour plus a deprivation factor for 3-4 year olds and £4.90 p hour for eligible 2 year olds continues to be paid.

In addition, other elements of funding are available to providers in respect of Early Years Pupil Premium paid at £312 per pupil pa; Disability Access Funding at £615 per child pa for children claiming Disability Living Allowance; and funding towards Early Years inclusion costs and support towards nursery places in High Needs.

Local Authority support costs to providers, accounts for 3.4% of total Early Years funding, which is well within the DfE's tolerance of no more than 5% on support costs in 2018/19.

There has been a lively uptake in the numbers of working parents taking up the offer of additional 15 hours free childcare in Sefton since September 2017 and this continues to grow.

During the budget process for 2018/19, Early Years were consulted on a transfer of £0.200m from their transitional funding towards High Needs budget pressures in 2018/19. This was accepted by the provider representatives and by schools forum.

2.3.1 Pupil Premium Grant

The Pupil Premium is additional funding given to schools so that they can support their disadvantaged pupils and close the attainment gap between them and their fellow peers. In 2017/18, Sefton attracted £11.862m of funding (including academies).

The 2018/19 per pupil funding rates will remain fixed at 2017/18 levels, except for Pupil Premium LAC which will be increased from April 2018 as detailed in Table 1 below and final LA/School allocations have now been confirmed by the DfE in June 2018 using the January 2018 school census data (See Appendix H).

Table 1: Narrative	2017/18 £
Primary	1,320
Secondary	935
Service Children	300
Looked after Children, Adopted Children and Children with Guardians	2,300
Literacy and Numeracy catch-up Premium	500

2.4.1 Education Services Grant (ESG)

Education Services Grant (ESG) was a non-ring fenced grant paid to local authorities and academies to finance the costs relating to a number of duties, roles and responsibilities each body retains (including School Improvement, Education Welfare, Music, Asset Management and Statutory/Regulatory duties). This ceased as part of the Government's austerity measures in August 2017 with a small element continuing as School Improvement Grant for two years to the end of 2018/19.

The duties and responsibilities associated with the statutory functions of the Local Authority over all schools and those specifically carried out for maintained schools are now all paid for from DSG, partly from a transfer of funding from the former ESG in 2017/18 into the DSG towards statutory work across all schools (£0.580m); and from 2018/19, from charges against the maintained schools only as a de-delegation, to cover the costs of remaining statutory responsibilities over maintained schools (£0.469m). Special Schools; PRUs and Maintained Nursery schools will also be charged for these services (£0.051m).

2.5.1 Universal Infant Free School Meals

The Universal Infant Free School Meals (UIFSM) initiative was launched by the DfE from September 2014 and provides all pupils in key stage one that did not qualify for a free school meal with a free meal.

Revenue funding is provided at a national flat rate of £2.30 per meal and this has been confirmed to continue in the 2018/19 academic year. This provides direct funding for all children previously not entitled to free school meals as recorded on the school census data.

Indicative allocations have already been paid to schools for the 2017/18 academic year; which were based on the final allocations of the academic year 2016/17. This provides for an indicative total grant funding level to Sefton schools at £2.785m. A final allocation for academic year 2017/18 will be calculated in June 2018; based on the October 2017 and January 2018 school census data.

Further details relating to individual school allocations for the period commencing September 2018 will be provided to schools in due course.

2.6.1 New School Improvement monitoring and brokering Grant

The DfE have confirmed within the funding settlement details of the new School Improvement monitoring and brokering grant to be provided to local authorities from September 2017 for supporting school intervention and addressing any school standards issues.

The total national pot will provide £50m of funding to local authorities from April 2018 (£30m pro rata for the period September 2017 to March 2018) and will provide £1,800 per LA maintained school with a minimum full year allocation of £50,000 per LA.

The allocation provided to Sefton from this pot of funding will be £0.292m to be paid as 7/12ths allocation for the period September 2017 to March 2018 at £0.176m (2017/18) and a full year funding in 2018/19 of £0.292m, after which this funding will cease.

2.7.1 SEND Reforms / High Needs Strategic Planning

Nadhim Zahawi, Under parliamentary secretary of state for children and families, wrote to local authorities on 25 January 2018, confirming additional SEND reform grant funding to Local Authorities of £29m along with funding for Supported Internships for young people with SEND, to help them get into employment. Sefton will receive £135k towards SEND Reform and work to finalise EHC plans along with £50k funding towards internship work to support young people with SEND into employment.

SEND Grant activity / spend includes:

- Additional Education Psychologists capacity/support;
- SEND Training, IT Development & communications;
- Additional SEND Capacity / lead officer time; and
- Additional Assessment Review Officers to drive forward conversion of statements to education health and care plans.

In addition to the above, the Education Secretary Justine Greening confirmed as part of the NFF consultation documents released 20 December 2016 on schools and high needs reform, additional detail relating to a new High Needs Strategic Planning grant to be provided to local authorities in spring 2017.

This funding was £104k for Sefton and will be used in 2018/19 to undertake a High Needs review. This is currently underway.

2.8.1 Other Grant Funding

The DfE has confirmed that the grants detailed below will continue in 2018/19 and further detail is expected this term on individual school/LA allocations:

- Year 7 Catch Up Premium;
- Primary PE & Sport; and
- Extended Rights re Home to School Transport.

3 DEDICATED SCHOOLS GRANT

3.1.1 The 2018/19 DSG budget as detailed in the Schools Funding announcement by the DfE in December 2017 provides a LA allocation at £200.144m and is detailed in Table 2 below. Adjustments were made to the allocations to reflect the transfers of £0.450m from Schools funding and £0.200m from Early Years funding to support the continuing High Needs budget pressures in 2018/19 as agreed at Schools Forum on 15 January 2018:

Table 2: Narrative	Early Years £m	Schools £m	High Needs £m	Central Services £m	Total £m
2018/19 DSG Base Allocation	16.163	156.769	25.885	1.405	200.222
Transfers to High Needs	-0.200	-0.450	0.650		0
Recoupment of Academy School Funding <u>as at 1.4.2018</u>		-48.449			-48.449
2018/19 Baseline Allocation (net of Academy Funding recoupment)	15.963	107.870	26.535	1.405	151.773

The above allocation will be subject to change in-year relating to any of the below:

- Additional recoupment of formula funding for all converter and former non-recoupment academies during the year;

- Updated pupil census data relating to the educational free entitlement and extended 30 hours offer (working parents only) for all three and four year olds based on the January 2018 census; and
- Updated pupil census data indicating actual eligibility and take-up of the Early Years Pupil Premium grant and 2 year old offer.

3.1.2 The above baseline DSG position will be the main source of finance to resource the total LA Schools Budget for 2018/19 and the required level of DSG reserves to formally set a balanced budget for 2018/19. The final details of the construction of the Schools Budget were presented to Schools Forum members at the 15 January 2018 meeting.

3.1.4 The 2018/19 Schools Budget has been constructed in line with the latest information relating to the national funding reform regulatory requirements (i.e. central statutory functions capped at a maximum level of 2017/18, de-delegated service areas via Schools Forum decision and the place-plus funding model used for all high needs pupils/settings.), discussions and consultation with Primary and Secondary Headteachers and Schools Forum and based upon the following key principles:

- To largely maintain the local Sefton Schools formula rather than move towards the new NFF model in 2018/19.
- Apply the remaining 0.5% per pupil growth funding after contribution to the High Needs block of £0.450m in 18/19
- Ensure the minimum per pupil funding of £3,300 per Primary pupil and £4,600 per Secondary pupil is applied within the formula.
- Application of the MFG @ - 0.5% per pupil as a floor;
- Application of 1.3% capping to avoid schools gaining more than 1.3% increase through the local formula allocation.
- The transfer of the pupil element previously within the £10,000 Resourced Unit place funding from High Needs Block into Schools Block from 2018/19 and
- Agree contributions of £0.450m and £0.200m from schools block and early years block respectively towards High Needs budget pressures in 2018/19.

3.1.5 **Table 3** below provides detail of the final control total in terms of direct funding available for the purpose of constructing the 2017/18 baseline Schools Budget, which is then adjusted for Academy recoupments.

Table 3: Narrative	Funding £m
DSG Baseline (see Table 1 above)	200.222
Post-16 - Sixth Form Grant back to Sefton for SEND High Needs Element 2 for Sefton Special schools with 6 th Form provision	0.650
Total DSG Funding including Post 16 Grant	200.872
Less:	
Less Academy recoupment by the	-48.449

DfE as at 31.3.18	
NET DSG Funding to Sefton	152.423

4 **SCHOOLS BLOCK**

4.1.1 The construction of the Schools Block gross expenditure is broken down into three specific areas:

- Local Funding Formula;
- De-Delegated services; and
- Central/Statutory school service

4.1.2 The Local funding formula (primary and secondary) is constructed in accordance with the DfE regulations (i.e. governance of allowable factors and data sets), utilising the October 2017 school census data and any local changes/decisions made/permitted as previously approved by the Council Executive.

The 2018/19 local funding formula will be constructed on the following basis:

- The Local Funding formula model will be adjusted for headroom growth applied across AWPU and Deprivation with use of FSM Ever6 element for Secondary Schools. Many factor values will be retained at current 2017/18 levels; The LAC factor however, will not be applied in 2018/19 and
- Any school due to receive a budget reduction will be afforded a revised MFG protection at -0.5% per pupil and a cap of 1.3% for those schools likely to gain funding.

The LA is required to submit details of the construction of the local funding formula to the DfE via the annual pro-forma toolkit (APT) and the details of this were shared and endorsed by Schools Forum at their meeting held on 15 January 2018.

4.1.3 The final local schools formula model (**See Annex A**) was presented to the Council Executive (Cabinet) at their meeting on 15 February 2018 for formal approval and was duly approved:

4.2.1 De-Delegated services

The Schools Funding Reforms required all local authorities to delegate as many services to schools and the associated resources in the first instance to ensure all decision making was made at a local level.

However it is permissible for the funding for a number of frontline services and other associated support cost activities to be returned to the LA for the LA to manage and deploy on behalf of schools (de-delegation), whereby such central control and management of funding/services provides greater value for money (i.e. economies of scale) and also mitigates/reduces risk.

The following “de-delegation” decisions have been made for 2017/18:

Table 4 below provides detail of the 2018/19 de-delegation per pupil rates and the total service budget to be managed centrally by the LA compared with 2017/18.

Table 4: Narrative	2017/18 Budget £m	2018/19 Budget £m	Primary per pupil £	Secondary per pupil £
Trade Union Facility Time / other Public Duties support	0.158	0.101	3.38	6.17
Free School Meals checking	0.029	0.029	6.68	6.68
Ethnic Minority Achievement – (Prior Low Attainment)	0.079	0.090	5.36	7.06
Ethnic Minority Achievement - (EAL 3)	As above	As above	57.12	222.69
Libraries and Museums	0.004	0.005	0.23	0.00
Schools in financial difficulty	0.178	0.172	2,000 p school	4,000 p school
Statutory Duties of the Local Authority on behalf of Maintained Schools	0	0.469	18.25	18.25
Total	0.448	0.866		

The De-delegation option is not permitted to academies as governed by the statutory regulations laid following the schools funding reforms in 2013, however services will be offered where appropriate on a buy-back basis level in the same manner.

4.3.1 Central Schools Services

The LA is statutorily obliged to provide a number of functions to all LA maintained schools and academies as laid by regulations governing the school funding reforms, these include:

- Admissions;
- Servicing the Schools Forum;
- Prudential Borrowing; and
- Premature Retirement Costs (PRC)
- Certain Statutory functions for all schools incl Academies

The reforms require the LA to agree with Schools Forum annually the central resource level assigned for each area; and in some cases regulations stipulate that no new commitments and/or increase on the previous year budgetary level is permitted.

Table 5 below provides detail of the proposed “Final” resource allocation for 2018/19 which remains in line with the indicative figures provided at the last meeting and approved by Schools’ Forum members.

Table 5: Service Area	2018/19 Allocation £m
School Support (i.e. Admissions)	0.137
Schools Forum	0.062
Combined budgets – Closed schools maintenance / mothballing charges. The maintenance of closed school playing fields the upkeep / running of Professional Development Centre in Formby / support for any other central shared resources	0.289
Copyright Licences *	0.187
Sub-total	0.675
ESG – Retained Duties (new from 1.4.17)	0.580
Pupil Growth contingency	0.150
Grand Total	1.405

* Increased in line with updated 2018/19 copyright licence agreements charges released by the DfE in December 2017.

Further detail is provided at **Appendix 1** below in relation to the copyright licences covered under the above agreement (as per DfE information received December 2017) and for which schools don't need to purchase from their delegated budget share. Any further DfE updates will be shared in due course.

4.3.2 Table 6 below provides a summary of the 2018/19 planned deployment of resources and comparison to the specific schools block of funding / the 2017/18 position. This is after making a £0.450m contribution to High Needs in 2018/19.

Table 6: Narrative	2017/18 Funding £m	2017/18 Baseline £m	2018/19 Funding £m	2018/19 Budget £m
DSG Schools Block Allocation	154.755		156.319	
Local Formula		154.307		155.453
De-Delegation		0.448		0.397
LA Statutory duties – Maintained Schools new charge 18/19		0		0.469
Total Schools Block		154.755		156.319
DSG Central Schools Services Block		1.389		1.405
Grand Total		156.144		157.724
Variance				1.580
Extra DSG allocated funding year on year				1.580

The above table illustrates that the updated 2018/19 budget broadly contains all schools related activity (delegated formula allocations and central spend, etc.) within the specific financial resources allocated via the schools block and the new Central Schools Services block.

Pupil Growth Contingency

Planned Basic Need Growth including infant class size regulation

The schools funding reforms were updated from April 2014 and the LA is only permitted to allocate funding from an agreed central reserve in year to schools for pupil growth that are part of the LA's planned school re-organisation/basic need requirements. The central reserve can also be used to allocate funding to any schools having to increase the number of classes in key stage one to ensure compliance with infant class size (maximum 30) legislation.

The LA has previously agreed the criteria to be applied to determine allocation of any funding for the above matters with Schools Forum and detail is provided at **Appendix 2**.

Any school that has increased its pupil admission number (PAN) previously to support the LA basic need growth / provision of sufficient number of school places previously will have its pupil numbers adjusted to reflect the continued planned growth from September 2018 in its delegated budget share allocation determined by the local funding formula.

At its meeting on the 15th January 2018, Schools Forum agreed to retain a central contingency of £150,000 to support compliance with infant class size legislation (ICS) and agreed to the principle and specific criteria applicable to growth funding for additional classes.

Criteria used to allocate out funding support to schools:

ICS funding is allocated to schools following an application process in the spring term. Funding is allocated for the salary cost of 1FTE teacher (TM5 – 42,980 incl 2% pay award wef Sept 2018) * 7/12ths.

Basic Need - Exceptional Pupil Growth funding will be provided to a primary school where:

- (a) The Council agree that exceeding PAN (temporarily) or increasing the PAN (permanently) is necessary to meet population growth (not simply popularity growth or one school's desire to increase capacity);
- (b) The Council agree that the creation of an additional class is necessary and is directly related to exceeding PAN;
- (c) The class is additional if it requires a change in the school's current or historical class organisation or number of classes;

(d) Schools that have historically operated mixed age classes or have a PAN in a multiple of 15 would be normally expected to operate some mixed-age classes. (The growth funding cannot be used only to reduce class sizes.)

(e) A school's compulsory school-age range is increased the additional classes created would be funded. (e.g. when an infant school is converted into a primary school, it would be funded for each additional junior class created.)

(f) Funding would be provided only for the first academic year that an additional class is created.

(g) Where one additional class was needed in an area but agreement cannot be reached to fund one school, the funding allocation may be split between two or more schools.

(h) Assuming that the additional class is created in September, the primary school would receive funding of £31,750 for each class, equivalent to:

- 7/12ths salary cost of a 1 FTE teacher (TM5 – 42,980 incl 2% pay award wef Sept 2018)
 - 7/12ths salary cost of a 0.5 FTE teaching assistant (Grade D 27.5hrs T/T = £14,592 /2)
 - £3,000 towards the cost of resources and materials
- Total Support = £ 32,328
- If the class is created between September and April, the amount would be reduced by a 1/7th for each whole month that the class is not needed.

(i) Schools must comply with the infant class size legislation (and any school funded would not also receive separate infant class size funding).

4.4.1 Capping

From 2018, Local Authorities are being allowed to determine a local Minimum Funding Guarantee (MFG). Under the new National Funding Formula a 0% MFG has been adopted by the Government to ensure that all schools transferring to new NFF are protected at their 2017/18 baseline funding per pupil. In 2018/19 a LA could adopt a positive MFG of up to +0.5% or a negative MFG up to -1.5% to suite local distribution of funding. Following extensive consultation with both primary and secondary headteachers the Sefton Schools Forum opted to use a negative -0.5% for 2018/19. This means that no school can lose more than -0.5% of its previous year's base funding per pupil.

The cost of applying the MFG protection system to the identified schools is a cost pressure on the overall DSG allocation received, and the LA is permitted to apply a capping system to the level of gains afforded to schools gaining in the distribution of the delegated budget share to contain total costs within the available resources.

At the 15 January 2018 meeting the Schools Forum members agreed to support the LA's intention to continue with the application of a "capping" system to all schools gaining via the local funding formula model to support the MFG protection for losing schools.

The total cost of MFG to the LA in the 2017/18 local funding formula model is a net £0.415m and this has been financed applying a level of capping of 1.3% to all gaining schools

4.4.2 Delegated School Budgets

Sections 4.1.1 – 4.4.2 above outline some of the significant adjustments factored into the local funding formula to determine the individual delegated budget for all Sefton schools.

All schools delegated budgets will be subject to one of the following criteria:

- Application of the minimum funding guarantee (MFG) protection at -0.5% per pupil; or
- Application of a 1.3% cap on all schools gaining through the updated 2018/19 local funding formula.

The above criteria are applied to ensure the following:

- MFG - short-term stability is provided in the level of financial resources received for schools with falling pupil numbers and/or receiving a reduction in base funding;
- Capping – required to ensure the LA is able to afford the schools delegated budget model in a period of a minimal cash funding settlements; and
- Compliance with updated regulations that prevent the total costs of the scaling or capping applied to school budgets exceeding the total cost of applying the MFG level between -1.5% per pupil and in 2018/19 +0.5%.

Table 7 below provides a summary of the movement in funding from the 2017/18 baseline position:

Table 7: Narrative	2017/18 £m	2018/19 £m	Variance £m
Formula Budget	154.520	156.225	1.705
MFG	0.633	0.509	-0.124
Capping	(0.398)	(0.415)	-0.017
De-Delegation	(0.449)	(0.397)	0.052
Statutory duties – maintained schools (new charge 18/19)	0	(0.469)	-0.469
Total Delegated Budgets	154.306	155.453	1.147
Central Statutory Items	0.488	0.488	0
Copyright Licences	0.183	0.187	0.004
Pupil Growth Fund	0.150	0.150	0
De-Delegated Budget	0.449	0.397	-0.052
Statutory duties – maintained schools	0	0.469	0.469
Statutory duties ALL schools part of Central Services Block funding	0.568	0.580	0.012
		0	
TOTAL SCHOOLS BUDGET	156.144	157.724	1.580

Annex A provides detail of the final 2018/19 local funding formula model used to determine individual school delegated budgets.

Annex B -L provides more detail of individual school specific funding.

5 EARLY YEARS

5.1.1 The construction of the Early Years Block gross expenditure is broken down into the following specific areas :

- Universal 3 & 4 year olds free entitlement 15 hours per week childcare;
- Extension of up to an extra 15 hours childcare for working parents
- Two year old offer;
- Centrally held expenditure; and
- Other EY grant funding.

5.1.2 As outlined in section 3.1.2 above the local budget construction process for 2018/19 is now much more focused on an individual block level in line with central government direction and seeks to contain specific block/service area costs (including central services) within the specific block allocation of funding.

The 2018/19 Schools Budget report presented to Schools' Forum at the meeting held 15 January 2018 outlined specific local proposals to aspects of early years funding allocations to providers to ensure the total costs of early years' service provision is contained within the overall envelope of funding provided via application of the EYNFF/other grant funding streams, this included:

- To continue to support a universal base rate of £4 per hour across **all** providers for the 3-4 year old childcare entitlement including for the provision of the universal 15 hours entitlement and the additional 15 hours free childcare available for working parents.
- To support the Maintained Nursery schools at similar levels of funding to 2017/18 by balancing the effects of a reduced hourly base rate from £4.77 p hour to £4 p hour from April 2017; with the full application of the transitional funding given by the Government to Sefton for its Maintained Nursery schools (£0.566m). This funding is only guaranteed for 3 years.
- To continue with just 1 mandatory supplement, in support of deprivation, to 3-4 year old funding. This would be equivalent to a £0.10 per hour top slice of the overall funding, to be allocated on a banded basis (£0.05 p hr / £0.10 p hr or £0.15 p hr).
- To set aside equivalent to £0.02p per hour funding towards SEN Inclusion costs already being picked up by High Needs budgets.
- To contribute to High Needs, the early Years formula transitional funding which is equivalent to £0.08p p hour of the total funding (£0.200m).
- To set aside £0.10p p hour of the total 3-4 year old funding towards the Local Authority's own central support provision for providers offering a range of services.
- To continue to support the 2 year old funding at £4.90 p hour from April 2018. Of the total funding provided by the DfE - £5.22p hour, the Local Authority

retains £0.32 p hour towards its own central support provision for providers offering a range of services in respect of 2 Year old childcare entitlement

5.1.3 The local funding Base rates for the three and four year olds free entitlement and the extended two year old offer are summarised below. Other funding is available for providers of 3-4 year old childcare through the Social Inclusion Fund; the Disability Access Fund and Early Year Pupil Premium: These are not shown in the table below:

EYSFF (3&4 year olds)	Nursery Schools	Nursery Classes / PVI
Base Rate Funding	£4.00 per hour	£4.00 per hour
Deprivation Supplement	£0.05/£0.10/£0.15 p hour	£0.05/£0.10/£0.15 p hour
Transitional funding for Maintained Nursery Schools	£0.566m across 4 MNS s for 3 years	n/a

Two year old offer	All Providers £4.90 per hour
---------------------------	------------------------------

Nursery School base rate:

The DfE have confirmed the supplementary funding allocated to local authorities to enable the LA to maintain the current higher base rates for Nursery Schools will be provided for three years (i.e. up to 2019/20) after which it is uncertain as to the viability of these schools.

Extended 30 hours offer:

All providers offering the extended 30 hours offer from September 2017 (working parents only) have been allocated funding for the extended offer in line with the 15 hours universal free entitlement funding at £4.00 plus deprivation funding if applicable.

All Providers will be paid £4 per hour plus deprivation funding up to £0.15p p hour from April 2018 and including the extra 15 hours entitlement for working families.

Deprivation Supplement:

The proxy indicator used is based on the child's home post code (as recorded on the parental agreement form) using the Index of Multiple deprivation, and if the postcode is identified as being in one of the 20% most deprived areas nationally as per the local super output area (LSOA) analysis (as per January 2016 data), then the child is allocated a maximum of £0.15p per hour or £85.50 pa regardless of their actual participation level.

Budget allocations will be updated in-year as all actual pupil participation data is collected and collated. Further detail of the 2018/19 "**indicative**" budget allocations for Nursery Schools and Nursery Classes is provided in the table provided at **Annex D**.

5.1.4 Two Year Old Offer:

The LA is also responsible for allocating funding for the extended offer of 15 hours per week education to two year olds from the 40% most deprived areas. Funding for this area moved to an actual participation based system from April 2015 to align to the three and four year old offer and is currently allocated as an additional resource to the EYNFF for three and four year olds within the early years block of the DSG.

The 2018/19 Schools Funding settlement announcement in December 2017 showed no change to the national average funding from at £5.39 and provides Sefton a base allocation at £5.22 per hour.

As outlined above, Sefton will passport an hourly rate of £4.90 to providers from April 2018 with the remaining £0.32 per hour funding retained centrally to support central costs / budget sustainability.

Sefton's indicative allocation for 2017/18 is £2.959m.

5.1.5 Early Years Pupil Premium:

The Early Years Pupil Premium was introduced from April 2015 and is targeted at disadvantaged three and four year old children from families with low income, as is criteria for the current PPG provided to 5-16 year olds. Funding will be allocated on a national flat rate of 53p per hour, which equates to approx. £300 per child. The LA will receive the funding direct from the DfE and must passport all funding directly to providers.

All providers are free to use the monies as determined locally to meet the needs of the pupils concerned and all plans, projects implemented and outcomes will be judged by Ofsted as part of the routine inspections.

Sefton's indicative allocation for 2017/18 is £0.199m.

There are no indicative budget figures for individual providers at this stage. Upon completion of the respective eligibility testing the Early Years Premium funding will be allocated to providers on a termly basis for all eligible pupils alongside the core EYSFF base funding.

5.1.6 Application of the local funding formula as outlined above alongside reporting specific service area central expenditure activities within this block provides for the budgetary position as outlined in Table 8 below:

Table 8: Narrative	Funding £m	Budget £m
EYNFF	12.733	12.359
Central Support Services 2-4 year olds		0.358
2 Year old offer	2.960	2.778
EY Premium	0.199	0.199
Disability Access Fund	0.071	0.071
SEN Inclusion Fund		0.057
Other Early Years budgets		0.141
Total	15.963	15.963

A large element of the above figures is based on estimated take-up levels and indicative budget allocations which utilises the most up to date available data. DSG allocations will be updated based on January 2018 and 2018 census data and the LA will update and monitor participation/activity during the year accordingly and report to Schools Forum any issues accordingly.

6 HIGH NEEDS

6.1.1 The construction of the High Needs Block (HNB) gross expenditure is broken down into four specific areas:

- Local maintained specialist setting place funding;
- Alternative Provision;
- Top-up Funding; and
- Central HNB support services (i.e. Sensory, Learning Support, SEN, Inclusion, etc.)

The LA is currently assessing all latest data, information and operational options relating to increased SEN demand/needs for the new 2018/19 academic year commencing September 2018. The below information provides the current budgetary position, the available resources and the individual service activity within the high needs block.

6.1.2 Place-plus

The place-plus funding formula comprises of three elements:

- Element 1 - Core funding;
- Element 2 - Additional funding (clearly identifiable budget for additional support); and
- Element 3 - Top-up funding (funding above elements 1 and 2 to meet the total costs of the individuals required provision)

The LA is required to implement the new place-plus formula funding model for all specialist settings, therefore providing a base per pupil funding level of £10,000 (equivalent to elements 1 and 2) per pupil dependant on which setting the pupil is educated.

The value of any top-up funding applied to a place/setting must ensure that should the LA occupy all available places at the school/setting, the total level of funding to be received in 2018/19 is not more than 1.5% less than the total 2017/18 delegated funds received.

6.1.3 Special Schools / Resourced Provision

All LA maintained specialist settings (i.e. special schools and resourced provision) will continue to be funded from April 2018 in accordance with the national prescribed place-plus funding system (i.e. £10,000 per commissioned place and appropriate top-up funding provided as places are occupied) as outlined above. Note that from 2018/19 the first £4k of Resourced provision is now incorporated into the schools block funding by the inclusion of these pupils into the schools census October 2017.

The number of planned places to be commissioned by the LA at each individual establishment for 2018/19 as summarised below and are as at 1.4.18 so may be subject to change:

- Alternative Provision (PRUs) £1.810m (181 fte places)
- Resourced Provision £1.304m (202 fte places)
- Special Schools £6.357m (639 fte places)
- **Total** **£9.471m**

The LA has held discussions with a number of our locally maintained special schools/resourced provision settings with regards increases / decommissioning of specialist school placements from September 2018 and options for temporary / permanent changes to placements. **Annex E & F** include updated detail of the agreed additional places to be provided / funded from September 2018 but may still be subject to change.

Annex E provides a summary of the special schools funding levels including the top-up funding levels to be applied to any 2018/19 placement.

The current 2018/19 overall funding rates for **resourced provision** settings are detailed below and remain at 2017/18 levels until such time the SEND scoping exercise is completed and the next stages of the strategic plan for SEND updated across the borough. This will help to inform and revisit the previous works undertaken and introduce a more consistent approach to all resourced provision bases and funding levels across all schools.

CLD & CLD(Lang) – Base £6,000 per place plus a minimum top-up of £1,356 per place as occupied - this top-up will be adjusted to reflect the difference between the £4k funding transferred into the schools block per pupil and the actual per pupil allocation the schools receives through the local formula.

EBD & SPLD– Base £6,000 per place, plus a minimum top-up of £3,879 per place as occupied this top-up will be adjusted to reflect the difference between the £4k funding transferred into the schools block per pupil and the actual per pupil allocation the schools receives through the local formula.

ASD - Base £6,000 per place, plus a minimum top-up of £6,813 per place as occupied this top-up will be adjusted to reflect the difference between the £4k funding transferred into the schools block per pupil and the actual per pupil allocation the schools receives through the local formula.

Any transitional arrangements agreed with individual/cluster of schools and approved by the Head of Schools and Families/Head of SEN Services will also continue from April 2018 until an agreed date whilst the aforementioned review work is progressed further/finalised.

Annex F provide a summary of the mainstream Resourced Provision/Special Unit funding levels including top-up funding levels to be applied to any 2018/19 placement.

6.1.4 PRU's

All Pupil Referral Units (PRUs) are now allocated place funding at £10,000 per place in line with all other specialist settings.

6.1.5 Notional SEN

The LA is required to identify within the total funding delegated to schools, the funding factors that are used to determine the “Notional SEN” budget that is within (and **not** additional to) the overall delegated budget share allocated.

Mainstream schools and academies are required to meet the costs associated with all low cost, high incidence (LCHI) pupils in the school and will also be required to make a mandatory contribution of £6,000 (as stipulated by national regulations) per pupil above the Basic Entitlement funding received towards the total costs of any HN pupil educated at the school.

The funding factors and any respective % to be applied to determine the “Notional SEN” budget at each individual school are:

- 10.00% - Basic Entitlement (Primary & Secondary);
- 40% - Deprivation (both FSM & IDACI);
- 100% - SEN Prior Attainment;

The LA is required by regulation to outline to all local maintained schools and academies the criteria to be applied to determine if any school shall receive any additional central high needs block funding in addition to the “notional SEN” funding allocated as above.

Annex I provides detail of the “Notional SEN” determined for each individual school

6.1.6 Charging Schools for Permanent Exclusions to a Pupil Referral Unit

Schools which permanently exclude pupils to one of the Sefton’s Pupil Referral Units will be charged a proportion of the funding they have received for the pupil through their schools formula.

This will be calculated on the remaining number of weeks in a financial year from the date of the permanent exclusion to the PRU, up to 31 March. Charges are based on the funding elements applied within the formula and which the school has received in respect of the pupil’s own specific characteristics.

Elements of cost may include AWPU; Deprivation factors incl FSM; IDACI; Prior Attainment and Pupil Premium. This is to acknowledge that the school has received funding for the pupil and this is a transfer of that funding in support of the PRU until the PRU is able to draw down funding from High Needs for the pupil in the following financial year.

This calculation may also apply to any pupil moving out of a PRU back into a mainstream school or between mainstream schools.

6.1.6 Pupil referral Units may also make a daily charge to schools during a period of pre-exclusion before any decisions are made regards their permanent exclusion. This is based currently on £60 per day at Jigsaw rising to £80 p day from September 2018 and £60 per day at IMPACT.

6.1.7 Charging for Complementary Education Services 2018/19

Schools Forum agreed in March 2018, that schools will be charged an hourly rate of £12.82 for pupils referred to the Complementary Education service from April 2018 attending the Pinefield Centre for whom transport has been arranged by the Local Authority, and £9.68 p hour for tutor services delivered at home without transport. The charges are to cover the additional costs borne by the service during this period of high referral numbers.

The need to charge has arisen due to the increasing numbers of referrals to the service since 2017 and the associated additional costs of provision. This will be reviewed in 6-12 months pending changes within the service towards more cost effective provision.

7 FUNDING – TABLES EXPLANATION

7.1.1 A summary is provided below outlining the information contained within each of the supporting funding tables to this funding pack.

All **Annex A – J** information can be found in the supporting pdf files accompanying this document.

Annex A provides detail of the Sefton's 2018/19 local funding formula model in accordance with schools funding reform requirements APT

Annex B provides a detailed analysis of individual mainstream primary and secondary schools total delegated budget share as determined by the updated local funding formula (prior to any capping/scaling, application of MFG and/or deduction of de-delegated budgets). APT

Annex C provides a detail of mainstream primary and secondary schools final delegated budget for 2018/19. (Individual Schools funding taken from the Local Authorities APT)

The above position is the total sum of the following:

- Application of the local funding formula (i.e. Annex B);
- Application of either scaling back or allocation to ensure MFG level achieved; and
- Net of de-delegation budgets

Annex D provides a detailed analysis of **“Indicative”** funding allocated via the application of the EYSFF model for 3 and 4 year olds at nursery schools and nursery classes within a mainstream primary setting.

Annex E provides a detailed analysis of the place-plus funding level delegated to special schools.

Annex F provides a detailed analysis of the mainstream schools with a resourced provision or special unit and their delegated funds determined via the place-plus funding model

Note: the figures illustrated in Annexes E& F are based upon 100% capacity of the total planned place provision

Sefton Council will only provide top-up funding for Sefton pupils occupying specialist place provision.

Annex G provides an overall summary of all 2018/19 revenue formula funding streams for each school (i.e. mainstream formula funding, EYSFF and High Needs funding for special units/resourced provision)

Annex H provides a detailed analysis of your schools specific grant funding in relation to the Pupil Premium, which is in addition to your formula funding outlined above.

The table illustrates the funding allocated for eligible free school meal pupils, service children and children adopted from care.

This information is currently based on census data taken from a range of different census data collections as detailed in the supporting annex. The final allocations are based on the January 2018 school census data and were published in June 2018.

The table does not include funding for any Sefton LAC or any LAC from other neighbouring authorities.

Annex I provides detail of the “Notional SEN” budget calculated for all primary and secondary schools/academies

Annex J provides detail of the provisional 2017/18 DFC allocations for all Sefton schools, academies and PRUs as released by the DfE in March 2017. The 2018/19 allocations have not yet been announced (as at late June 2018)

8 FUNDING COMPARISON

8.1.1 Schools will, by now, be finalising their own detailed budget plans and the detailed information outlined above and within the supporting tables should help support this process. Schools will undoubtedly compare their final 2018/19 allocations to the funding level received in 2017/18. To support such comparison it is vitally important to recognise and understand the following aspects:

- a) Any changes in the overall pupil population recorded on the respective October school census that are used to determine the delegated budget allocations;
- b) Any changes in the overall pupil profile of the school (i.e. has the overall fsm eligibility numbers in the school increased/decreased);
- c) Impact of any change in total pupil population across the different key stages (i.e. secondary sector only – differential basic entitlement funding rates used for KS3 and KS4); and

- d) Impact of the new DfE data set relating to the income deprivation affecting child index (IDACI) as per the DfE taken from the Schools October census data.

9 UNIVERSAL FREE SCHOOL MEALS / PE & SPORT GRANT

- 9.1.1 The Universal Infant Free School Meals (UIFSM) initiative was launched by the DfE from September 2014 and provides all pupils in key stage one that did not previously qualify for a free school meal with a free meal.
- 9.1.2 Revenue funding is provided at a national flat rate (£2.30) per meal taken by all children previously not entitled to free school meals as recorded on the school census data.
- 9.1.3 Indicative allocations have already been paid to schools for academic year 2018/19; which were based on the final allocations of the academic year 2017/18. A final allocation for academic year 2017/18 will be calculated in June 2018; based on the October 2017 and January 2018 school censuses.
- 9.1.4 Individual school funding allocations for the new academic year starting September 2018 are shown in **Annex K** to the information pack.
- 9.1.5 PE & Sports Grant
The DfE have previously confirmed that the PE & Sports Grant premium funding provided to schools will continue until 2020. Further details on the 2018/19 academic year funding will be released in due course.
- 9.1.6 Additional to the PE and Sports Grant for 2018/19 will be an allocation of capital funding from the Soft Drinks Industry Levy to be used towards improving children's and young people's physical and mental health by enhancing access to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions. The exact sum is yet to be announced. The spending of this will be a managed process involving schools and public health.

10 DEVOLVED FORMULA CAPITAL (DFC)

- 10.1.1 The basis of the DFC allocation for 2018/19 remains unchanged from 2017/18. Schools will receive a lump sum of £4,000 together with a per pupil sum which varies, nursery and primary £11.25, Secondary £16.88 and Special / Pupil Referral Units £33.75. In total, Sefton schools, excluding academies but including VA schools will receive total DFC funding at £769,877m.

Annex J provides detail of individual allocations released by DfE.

11 NATIONAL FUNDING POSITION

- 11.1.1 The schools funding settlement has been agreed for the next two years prior to the onset of the National Formula Funding in 2020/21. Schools funding will increase by +0.5% on the 18/19 baseline per pupil. LAs can continue to set a flexible MFG and allocation based on their own local formula into 2019/20. The minimum levels of

funding per pupil will also increase in 2019/20 to £3,500 per Primary Pupil and £4,800 per Secondary pupil.

11.1.2 The funding in respect of High Needs is expected to increase by 0.5% at least against the 18/19 baseline. Other blocks will probably remain fairly static increasing only for population factors or other formula factors such as pupil numbers. Central School services funding block will be based on a per pupil basis from 2019/20.

12 BUDGET SETTING

12.1.1 Schools will have begun to prepare their individual detailed budget plans earlier this spring term or even before and the release of the school delegated budget share figures for all schools is the final data link in the budget planning process.

Schools are now be able to identify any funding surplus or shortfall attributable to their own individual school based on the projected total net cost of the schools revenue position determined by the detail outlined in the structure of the schools budget plan.

Schools should ensure that the budget plan constructed and the financial resources deployed are in line with the priorities, aims and objectives as outlined in the School Improvement Plan (SIP) and shared/endorsed by Governors.

12.1.2 Schools have a statutory requirement to provide a report to parents on how the PE & Sports Premium and the Pupil Premium Grant (PPG) has been deployed and are therefore encouraged to clearly demonstrate in their detailed budget plan and report how both of the additional grants have been deployed locally to support the pupils the funding is targeted at.

12.1.3 The final budget plan will need to be presented (subject to any school request to set a deficit budget to LA) to the full governing body or appropriate identified sub-committee for approval. Schools are required to submit a copy of their final budget to the Local Authority by **30 June 2018**; schools are only required to submit a one-year plan for 2018/19. The local authority is currently updating the Scheme for Financing Schools and the submission date for approval of the school budgets will be changed to 31st May from next year to reflect the Government's earlier announcement of funding allocations to schools each year. Schools should ensure full consideration and/or reference to the below factors has been considered and included as appropriate into the detailed budget plan prior to submission to the governors:

- No of teaching classes required
- Staffing levels / pupil to staff ratio's
- Projected future pupil population (i.e. September 2018 intake)
- Incremental drift on salaries
- NI and Superannuation employer increases
- Inflationary increases on non-staffing budgets (i.e. energy)
- All Service Level Agreement decisions fully accounted for
- Resources are deployed in accordance with the aims, objectives and priorities as outlined in the (SIP)
- Value for Money / Benchmarking
- Projected balances b/fwd. figure is accurate and up to date;

- Apprenticeship levy (0.5% of planned pay bill if appropriate);
- Short-medium term budget sustainability;
- Impact of proposed NFF; and
- Any other local circumstances

12.1.4 Apprenticeship Levy

Details of the Apprenticeship levy and access to training may be found on the Council's intranet.

12.1.5 Deficit Budget

Schools are not permitted to set a deficit budget without the permission of the LA. Approval to set a deficit budget may be granted if it can be demonstrated that it would not be feasible and/or in the best interests of the pupils to set a balanced budget in this year and furthermore the budget position can be rectified over a number of years (maximum 3 years) by the decisions and actions as outlined in the school's budget recovery plan.

Schools must submit any formal request to set a deficit budget to the LA, (please send to Nick Carbonaro, Strategic Finance Manger) including a detailed Budget Recovery Plan before **1 May 2018**.

Further advice can be requested from the Schools Finance team and additional support will be provided as appropriate from your Schools Finance Officer for those schools purchasing finance support via the Local Authority SLA package.

To assist schools in dealing with budgetary issues / deficit budget planning, the Local Authority has created a "Deficit Planning Checklist". The checklist outlines the key strategic areas and scrutiny questions that schools should be considering/focusing on when assessing a potential deficit budget position. A copy of the "Deficit Budget Checklist" is available from the Schools Finance Team.

12.1.5 Managing Employee Reduction (MER) / Schools Facing Financial Difficulties Contingency Fund

Some schools may be faced with the requirement to reduce their staffing levels in order to manage their planned spend and activities within the available financial resources.

All such proposals would need to ensure compliance with statutory Human Resources requirements relating to employment law, discrimination, full consultation, etc. and also full financial costing (i.e. including any redundancy payments) prior to any such proposals being presented to governors for approval.

Schools can gain access to advice and support in the above process from both Human Resources and Schools Finance team via the SLA.

Where a school instigates the MER process on non-financial grounds then the school will be responsible for all MER costs (redundancy and pension liabilities) arising and they should be built into the schools budget planning.

Where a school instigates the MER process in response to a deficit budget position, then the norm should be that schools are expected to fund short term salary protection and/or any one-off redundancy costs from their budget recovery plan. In exceptional circumstances some support may be available through the Schools Facing Financial Difficulties contingency fund. However this funding is quite small and will be prioritised to support instances where a school cannot recover the deficit position within 3 years, or the school is already operating under a licensed deficit budget agreement.

A bid can be made to the Schools Facing Financial Difficulties contingency fund using the business case pro-forma for support with staffing adjustments. Any capital charges for early release of pension for staff would still be a charge to individual schools. (please contact Schools Finance team / Human Resources as appropriate)

Where School Governing Bodies have discretion to offer enhanced severance and exercise that discretion, they will be required to fund 100% of all MER costs.

13 SURPLUS SCHOOL BALANCES

13.1.1 Schools are permitted to carry-forward any level of surplus balance recorded at year-end. All such balances should be reported to governors, duly discussed and a clear plan of deployment be agreed with Governors (SFVS Question 16).

13.1.2 The LA following discussions with Schools Forum continued with an “excessive surplus balance control mechanism” in the Scheme from April 2014 and this was applied to all schools reporting an excessive surplus balances at 31 March 2017. Further detail is provided below and this process will continue to be applied to all schools reporting an excessive surplus balance as at 31 March 2018

Scheme for Financing Schools document Extract:

4.2 Surplus Balances

4.2.1 *The Schools Forum agreed to continue the Excessive Surplus Balance control mechanism with effect from 1 April 2014.*

4.2.2 All schools have the opportunity to operate external interest bearing bank accounts. The Local Authority does not therefore propose to pay interest on balances held centrally by the Authority on behalf of schools.

4.2.3 *Schools are considered to hold an “excessive surplus balance” if the reported balance as at 31 March each year exceeds 12% (Nursery, Primary, Special, PRU) or 8% (Secondary) or £20,000 (where that is greater than either % threshold) of the total funding delegated to schools at the start of the financial year. (Total funding = all delegated budget share elements plus the pupil premium grant). At the end of the financial year Schools / PRU’s are required to provide an analysis of how and when balances are to be used by 30 June. As part of the Schools Forum Work Programme each year a Balances Control Group reviews these returns to ensure that expenditure is properly assigned for the specific purposes permitted by the Local Authority. In certain circumstances schools may be asked to attend a*

meeting with the sub-group to give more detailed information concerning the use of excessive balances.

4.2.4 All schools with an excessive surplus balance that the sub-group of the Schools Forum agree should be clawed-back by the LA will be notified by the end of June each year, when their final school balance position is confirmed as part of the annual closure of accounts process.

4.2.5 All funding removed from school budgets will be held centrally and protected on a sector by sector basis until decision as to how such monies are to be re-deployed is agreed.

4.2.6 The Local Authority following discussions with Schools Forum will determine the deployment of all such funds on an annual basis.

14 SFVS

14.1.1 All schools are required to complete a self-assessment against the new Schools Financial Value Standard (SFVS), thereby completing a school assessment against the 25 questions and creating a suitable action plan to address any identified gaps, needs and/or risks.

All schools must submit details of their self-assessment to the LA by 31 March 2018.

Please ensure all SFVS returns are submitted by the above deadline to the Schools Finance team at:

Merton House, 9th Floor, Stanley Road, Merseyside, L20 3JA

15 SCHOOL BUDGET TABLES – SUMMARY

15.1.1 The following information can be found in the accompanying file:

Annex A - 2018/19 Sefton local funding formula values

Annex B - 2018/19 Total funding determined by the new local formula before applying the MFG/Capping/De-delegation

Annex C - 2018/19 FINAL Schools Delegated Formula Funding for Mainstream Primary and Secondary Schools/Academies

Annex D - 2018/19 Total “Indicative” Early Years Single Funding Formula allocations

Annex E - 2018/19 Total Place-Plus formula funding for Mainstream Special schools

Annex F - 2018/19 Total Place-Plus formula funding for Mainstream Resourced Provision / Special Units

Annex G - 2018/19 Total Revenue Formula Funding Summary

- Annex H -** 2018/19 Indicative Pupil Premium Grant allocations 17/18
Annex I - 2018/19 Mainstream primary and secondary schools “Notional SEN” budget
- Annex J-** 2018/19 information not available at time of producing this document)
School and PRU DFC allocations released by DfE
- Annex K-** 2018/19 Allocations of Universal Infant Free School Meals Grant

16 APPENDICES

16.1.1 A summary of further supporting information provided in Appendices 1-4 is detailed below and each can be found at the foot of this document.

Appendix 1 Copyright Licence information factsheet for Schools from DfE (July 2017)

Appendix 2 Criteria to determine funding allocated to support schools / academies with pupil growth (including ICS):

17 FURTHER INFORMATION

17.1.1 I hope you find all the above information clear and helpful in assisting the budget planning process at your individual school. All schools should also have received their confirmed outturn statements for 2017/18. If in the meantime you require any additional information, data and/or support please do not hesitate to contact myself or Kevin McBlain (details below) and/or any of the schools finance team at any time.

Many Thanks

Nick

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Copyright Licencing – based on the DfE release July 2017

This fact sheet provides information for maintained schools, academies and local authorities on copyright licensing in schools for 2018-19. Since 2015-16 the Department has managed the copyright licences for all state maintained schools in England that cover:

- print and digital copyright content in books, journals and magazines (Copyright Licensing Agency; CLA);
- printed music (Schools Printed Music Licence; SPML);
- copyright content in newspapers and magazines (the Newspaper Licensing Agency media access (NLA) licence);
- recording and use of copies of radio and television programmes, including from a number of catch-up services (the Educational Recording Agency (ERA) licence);
- the showing of films (the Public Video Screening Licence (PVSL) and Motion Picture Licensing Company (MPLC) licences);
- payments for musical performances of covered work (Performing Right Society for Music (PRS));
- playing recorded music (Phonographic Performance Ltd. (PPL));
- rights to make CDs and DVDs containing copyright music (the Mechanical Copyright Protection Society (MCPS); and
- hymns and other Christian music (Christian Copyright Licensing International (CCLI).

Please see below for further information.

Information for Schools

What does this mean for schools?

The Department believes that by purchasing these licences schools will be covered for almost all their copyright requirements. There are other copyright licences that may be relevant in very specific cases and schools still need to ensure they are covered for any relevant activity. For these ten licences the Department will pay a single sum to each of the Copyright Management Organisations (CMOs) which will cover all primary and secondary schools in England, including academies; all special schools and Pupil Referral Units, and all LA maintained Nursery schools. Post-16 academies are not included as they are not technically 'schools' and will need to make separate arrangements, as will 6th form colleges. Independent fee paying schools are not licensed in the same way and may wish to seek advice direct from the contacts listed at the end of this briefing.

The licences covered by the central arrangements are:

- 1 **The Copyright Licensing Agency licence.** This gives you the right to:
 - Photocopy books, magazines and journals published in the UK and 30 other countries giving your school access to a wide choice of published information
 - Make digital copies by scanning or re-typing for distribution to pupils, parents, teachers or governors, from titles published in the UK and USA plus a growing number of other countries
 - Make copies of content from digital material including CD ROMs, electronic workbooks, online journals and included websites
 - Use copies with digital whiteboards, VLEs and presentation software programs
 - Copy photographs, illustrations, charts or diagrams where they are included in an article or an extract
- 2 **The School Printed Music licence.** This covers the copying and distribution of a school's sheet music to school members for curricular uses and for those extracurricular activities that are not Collective Worship.

The licence permits schools to legally make copies of sheet music by any of the following means:

1. Photocopying
2. Scanning
3. Score-writing software programs
4. Notation by hand
5. Posting on a school VLE

The licence also allows the adaption of the musical work so that it can be performed by any instrumental and vocal arrangements that your school wishes to use.

3 **The Newspaper Licensing Agency Schools licence.** This permits the copying of content from national, regional and local newspapers and certain news websites.

4 **The Educational Recording Agency licence.** This allows educational establishments to record radio and television broadcasts received in the UK and to access copies of such recordings on agreed terms. Teaching staff can also access and download material on a number of on demand catch-up services including BBC iPlayer, 4OD, Five On Demand and ITV Player. The recordings can then be retained, stored and copied for educational purposes at the licensed establishment. It also allows an educational establishment to enable students to access licensed recordings and clips from them when they are working off site and connected to the school's site.

5 **The Public Video Screening licence.** This is issued by Filmbank Distributors Limited who represent all of the six major Hollywood studios in the education sector, (Warner Bros. Sony Pictures, Disney, 20th Century Fox, Universal, Paramount Pictures) and many other leading Hollywood, Bollywood and Independent film studios and distributors including MGM, Lionsgate, Miramax and Entertainment Film. The PVSL is required where schools screen films from studios participating in the PVSL scheme on their premises for entertainment purposes. Under the PVSL scheme schools are able to

screen films on DVDs that have been purchased or borrowed from legitimate UK outlets during the term of the licence. The PVSL does not cover screenings for commercial or fundraising purposes, i.e. where a charge is made either directly or indirectly (e.g. selling tickets to screenings). In these circumstances please contact Filmbank directly via info@filmbank.co.uk who can provide you with a licence for this type of screening.

6 **The Motion Picture Licensing Company licence.** The MPLC licence is similar to the PVSL in that it allows for the non-educational screening of films on the premises of an educational establishment. MPLC represents over 400+ film and TV producers and distributors from major Hollywood studios to independent and foreign producers. Examples of the studios whose work is licensed by MPLC are National Geographic; the Discovery Channel; and the studios that own the rights to Bob the Builder and Angelina Ballerina. The MPLC licence does not cover: commercially advertising the film title outside of the school; making a charge to view the film; using DVDs or downloads that are not a legal copy of the film or outdoor screenings. If a school does wish to commercially advertise and/or make a charge to view a film, then they should apply for a separate Single Screening MPLC Movie Licence. For further information please visit: <http://www.themplc.co.uk/page/film-club-1>

7 **The Performing Right Society licence.** The PRS licence covers performances of copyright music (including any associated words) which is controlled by The Performing Right Society Limited (PRS for Music) or by any of the societies in other countries with which PRS for Music is affiliated.

8 **The Phonographic Performance licence.** The PPL licence is a collective licence authorising a school to play in public, or broadcast, all of its members' recorded music or music videos in the UK. Collective licences can also cover the copying of recorded music and music videos for certain purposes. Typical uses in a school would be: discos/end of term parties; telephone system music on hold; playing a record / radio / tape / CD / digital music player; school fetes (where music is being played) and Dance/Aerobics classes for students and staff only. The two licences are required by every school.

9 **The Mechanical Copyright Protection Society licence.** The MCPS 'Limited manufacture' licence covers the use of music in DVDs and CDs produced by the school and sold to parents, e.g. by the PTA, to raise funds for the school. The licence provides the right for all schools to make and sell up to 1,000 copies a year of DVDs or CDs containing music.

10 **The Christian Copyright Licensing International licence.** CCLI administers two licences. The Collective Worship Copyright Licence (CWCL) permits schools to type song words into a computer and store them for later use, e.g. to create a song words database for use with their song projection software; to create service sheets and hand-outs for pupils and staff; to create OHP acetates; and to audio/video record music from services for those unable to attend, or as a keepsake. The Collective Worship Music Reproduction Licence (CWMRL) is supplementary to the CWCL. It permits schools to photocopy the words and music of hymns and worship songs directly from music publications and also to make customised arrangements of music for pupils using transposing instruments (typically wind and brass instruments).

These licences are required either by all or by the vast majority of schools and there will be no way for schools to 'opt out' of the licences.

Am I Covered for Images used on my Website?

Although the copyright licences offer a high degree of protection it remains the responsibility of the school, as the licence holder, to ensure that they are covered. This is particularly so in the case of images used on websites, where the school might find itself having to pay a fee if it has used an image not covered by a copyright licence. If a compliance service contacts you regarding breached copyright, you need to a) ensure the company is legitimately acting on behalf of the copyright owner and b) reach an agreement with them. This could be as simple as agreeing to remove the image or paying a reasonable amount for it, or both.

The best starting point is that no image is copyright free - this may include photos, drawings, graphical images, clipart, etc. For images in popular software, or some image libraries (sometimes through payment of subscription) the software owner waives any copyright restrictions, otherwise you may be able to get written permission of the copyright owner.

The CLA have a tool to check whether you can copy from a particular publication under the terms of your CLA licence. This can be found at: <http://permissions.cla.co.uk/titlesearch.html>.

Can I use YouTube under the ERA Licence?

Materials directly accessed from YouTube are not supported by the ERA Licence. The Terms and Conditions of YouTube refer to 'personal use only' and do not address the non-commercial educational use of ERA Repertoire that is permitted under the ERA Licence when sourced as otherwise permitted by the ERA Licence.

Users do need to look at the terms and conditions which YouTube apply to their services. The Terms are published on YouTube websites. An example can be found here: <https://www.youtube.com/t/terms>

If the short films that the school is interested in using have previously been shown on television and could have been recorded off-air at the time of transmission (since the ERA Licence launched in 1989) it may be that an "ERA Recording" of the films can be accessed if the school can access one of the exchanges on which the recordings are stored and labelled as ERA Recordings for curricular use, using services such as ClickView.

For further information about this, please contact ERA direct at era@era.org.uk

Who is the licensee?

The agreements between the DfE and the CMOs simply cover the administration of the licences. Each education establishment is a Licensee and as such responsible for ensuring that the terms and conditions of the licenses are adhered to by their staff.

Where is my licence?

If you require a copy of your licence, please contact the individual copyright management organisations below.

Information about what the licences cover

What is the SPML and what content is covered?

<http://schools.cla.co.uk/your-cla-schools-licence/schools-printed-music-licence/>

What is the CLA Licence and what content is covered?

<http://schools.cla.co.uk/your-cla-schools-licence/what-can-be-copied/>

What is the NLA Licence and what content is covered?

<http://schools.cla.co.uk/about-your-licences/nla-schools-licence/nla-licence-documents/>

What is the ERA Licence and what content is covered?

General information about the ERA Licence is at: www.era.org.uk

What is the PVSL and what content is covered?

For more information on the PVSL see www.filmbank.co.uk/pvsleducation

For a list of studios participating in the PVSL scheme go to: <http://www.filmbank.co.uk/pvslstudios>

What is the MPLC licence and what content is covered?

<http://www.themplc.co.uk/page/channel-overview-schools>

What is the PRS licence and what content is covered?

<http://www.prsformusic.com/SiteCollectionDocuments/PPS%20Leaflets/Schools%20leaflet.pdf>

What is the PPL licence and what content is covered?

<http://www.copyrightandschools.org/>

What is the MCPS licence and what content is covered?

<http://www.prsformusic.com/Pages/Rights.aspx>

What is the CCLI licence and what content is covered?

<http://schools.ccli.co.uk/>

Does the DfE cover all copyright licences for the sector?

The DfE has agreements with the above CMOs that cover their licences. Other licences may be required by your school for use of other content. More information can be found at: <http://www.copyrightandschools.org/>

Contacts

Who should I contact?

- Terms and Conditions, rights and repertoire of the CLA, SPML or NLA Licence <http://schools.cla.co.uk/get-in-touch/contact-the-schools-team-at-cla/>

- Terms and Conditions, rights and repertoire of the ERA licence www.era.org.uk
- Terms and Conditions, rights and repertoire of the PVSL www.filmbank.co.uk/pvslterms.

For information on the PVSL, contact T: **01494 836 231** or email pvsl@cefm.co.uk. The licence terms and conditions for the PVSL can be found at: <http://www.filmbank.co.uk/images/80989/pvsl%20terms%20&%20conditions%20feb%202013.pdf>. By screening films from copyright owners licensed under the PVSL scheme, each school agrees to be bound by and comply with these terms and conditions.

- Terms and Conditions, rights and repertoire of the MPLC <http://www.themplc.co.uk/page/contact-the-mplc>
- Terms and Conditions of the PPL licence can be found at: <http://www.ppluk.com/I-Play-Music/Businesses/Why-do-I-need-a-licence/>
- Terms and Conditions of the PRS licence can be found at: <http://www.prsformusic.com/users/businessesandliveevents/generaltermsandconditions/Pages/default.aspx>
- Terms and Conditions of the MCPS Limited Manufacture licence can be found at: <http://www.prsformusic.com/SiteCollectionDocuments/LM%20TandC.pdf>
- Terms and Conditions of the CCLI licence can be found at: <http://schools.ccli.co.uk/pdfs/schools/terms/SchoolLicenceTermsUK.pdf>
- Independent fee paying school licensed through the Independent Association of Prep Schools can obtain advice at <https://www.iaps.org.uk/about/copyright-and-schools>

Criteria to determine funding allocated to support schools / academies with LA planned Basic Need pupil growth & Infant Class Size (ICS) issues:

Introduction:

The new funding reforms allow for the LA to allocate in-year additional funding to schools/academies which have planned pupil growth to meet the basic need schools places requirement of the LA.

Eligibility:

- All LA maintained schools and academies will be entitled to in-year funding subject to meeting any of the agreed criteria as outlined below.

Criteria:

Basic Need

- a) The council carries out a formal consultation and approves to increase the capacity of a school;
- b) A school/academy carries out a formal consultation at either the request of the Council or supported by the Council;
- c) The Council requests a school/academy to increase their PAN to meet localised demand;
- d) A school/academy admits a significant increase in pupils to meet demand from new housing developments at the request of the Council; and
- e) The Council requests schools to admit significant additional pupils as a consequence of a school closure.

Nb: Where additional classroom build is required, supported and/or funded by the LA – then an appropriate level of funding re furniture, etc. will be provided separately to the above funding; from the Capital Project Fund.

ICS

- a) The school/academy total key stage one classes (Reception, Year 1 & 2) exceed a multiple of 30 and legislation requires an additional class to be formed as a result of any of the following:
 - Pupil admissions appeal panel decision;
 - Supporting LA provision of school places; and/or
 - Any other specific matter that is beyond the schools control

Funding:

Basic Need

7/12^{ths} salary cost of additional teaching staff, 0.5 TA support and additional resources to support extra class.

ICS

7/12ths salary cost of additional teaching staff required to ensure compliance with legislation (calculated at rate equivalent to TM 5)

Nb: Should the school be in receipt of any unplanned pupil growth funding from an agreed centrally held contingency via de-delegation, an appropriate adjustment will be made to ensure no double funding has been allocated.

Application:

Basic Need

No school action is required. The LA will automatically calculate any additional funding due to schools which are part of the LAs planned basic need school re-organisation process and information will be distributed to individual schools in due course.

ICS

Schools are invited to apply for additional funding relating to this matter at the earliest opportunity in the summer/autumn 2018 terms.

All such requests should be sent direct to Schools Finance via email @ Nick.carbonaro@Sefton.gov.uk

Schools are requested to include information relating to the following matters in their submission:

- Overview of school position / structure of key stage one classes;
- Circumstances leading to the requirement of an additional class;
- Current and proposed class structures;
- Current / projected school financial position; and
- Any other supporting information

Out-turn:

Any funds remaining at the end of the financial year will form part of the overall DSG out-turn position reported. The LA will provide detail to Schools Forum of the deployment of such central fund and the overall DSG position at the appropriate time.