



Children's and Adults' Services  
Schools Finance  
Email: [schoolsfinance@southwark.gov.uk](mailto:schoolsfinance@southwark.gov.uk)

All Head teachers, SA's, Bursars  
and SBM's  
All maintained mainstream primary  
and secondary schools in Southwark

2 March 2017

Dear Colleague

## **2017-18 School Funding**

Further to consultation with Schools Forum on 21 January 2017 and receiving EFA approval, please find attached details of the 2017-18 schools budgets for mainstream schools for years R to 11 (Schools Block funding).

**Your School's Total Budget for 2017-18 is shown in Section C of the attached spreadsheet.**

The budget reflects the Dedicated Schools Grant allocation from government and decisions taken by Schools Forum at meetings on 8 December 2016 and 21 January 2018. For the papers from these meetings please visit the Schools Forum page on Southwark's website:

[http://www.2.southwark.gov.uk/info/200142/school\\_management/2339/southwark\\_schools\\_forum](http://www.2.southwark.gov.uk/info/200142/school_management/2339/southwark_schools_forum)

Further information for schools is provided with this letter in the form of some instructions and detailed FAQs. As in previous years, you will receive notification of funding for early years and high needs pupils separately. Further details in regards to these arrangements are provided in the FAQ's.

Schools who have taken children from the closing Southwark Free School have had their 2017-18 budget share adjusted, following approval by the EFA to a disapplication of regulations to allow the schools to have their pupil numbers increased to include these additional pupils.

Schools accepting additional classes in September 2017 on request of the Local Authority, either as a bulge or by way of a permanent expansion may be eligible for growth funding. For 2017-18 Schools Forum have agreed a Falling Rolls fund to support schools experiencing a temporary fall in numbers due to local factors. The school will need to meet a number of criteria to be eligible.

Finally, below there is a handy guide to explain the key terms and definitions of concepts or items you may be wanting more information about regarding your budget allocations.

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590167/Schools\\_revenue\\_funding\\_guide\\_updated\\_07\\_Feb\\_17.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590167/Schools_revenue_funding_guide_updated_07_Feb_17.pdf)

If you have any queries please do not hesitate to contact the schools finance team at [schoolsfinance@southwark.gov.uk](mailto:schoolsfinance@southwark.gov.uk).

Yours sincerely

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## Instructions for using the Budget Calculator:

- Please open the attached spreadsheet
- Select your school's full LAEstab number in dropdown. Alternatively you can just type yours into cell, highlighted in yellow on the attachment. The format should be: 210XXXX.
- Your budget breakdown is now ready.
- Your overall budget 2017-18 allocation will be shown in Section C highlighted in orange.

## Frequently Asked Questions for 2017-18 School Budgets:

### Q1: What funding information is included in the school budgets?

You will note the format is slightly different this year than previously, though the same information is available. We have put all the relevant information on one page down from 4 pages before. There are 4 discrete sections, details which are outlined in the table below:

Section	Details
Section A	<p>Pupil Led Factors - this section provides details for your school of:</p> <ul style="list-style-type: none"> <li>• Basic Entitlement, 2017-18 total school budget including breakdown of the rates and units for each funding factor;</li> <li>• Deprivation</li> <li>• Other</li> </ul>
Section B	<p>Other Factors – this section provides further information on factors that are not pupil driven like:</p> <ul style="list-style-type: none"> <li>• Business Rates</li> <li>• Lump Sum</li> <li>• Split Site</li> <li>• Other</li> </ul> <p>Also de-delegated and notional SEN funding for your school are indicated. Please note that the notional SEN is funding included in your budget share allocation and does not represent additional funding.</p>
Section C	<p>Funding - this represents the total funding you will receive as per the Schools Block formula for your school in 2017-18.</p>
Section D	<p>De-delegation - this section provides information on the delegation items applicable to your school. This could include contribution your school would make for:</p> <ul style="list-style-type: none"> <li>• Contingencies inc schools in difficulty; audit; and intervention fund.</li> <li>• FSM Eligibility</li> <li>• Licenses</li> <li>• Behaviour Support Services (inc Summerhouse for primaries)</li> <li>• Staff costs – supply cover (maternity and trade union).</li> </ul> <p>See Q5 for further detail about de-delegated budgets.</p>

## Q2: What has changed since last year?

The majority of the funding formula rates for 2017-18 have remained the same as last year. However, there has been a change to the deprivation funding rates, as set out below:

Description	Primary amount per pupil 2016-17	Secondary amount per pupil 2016-17	Primary amount per pupil 2017-18	Secondary amount per pupil 2017-18
FSM6 % Primary	£1,223.10		£1,122.11	
FSM6 % Secondary		£1,491.53		£1,368.38
IDACI Band F	£122.89	£101.57	£112.74	£93.18
IDACI Band E	£128.16	£138.92	£117.57	£127.45
IDACI Band D	£244.86	£483.89	£224.64	£443.93
IDACI Band C	£471.70	£939.42	£360.63	£718.21
IDACI Band B	£1,038.52	£2,072.44	£414.25	£826.66
IDACI Band A	£534.86	£1,355.41	£408.91	£1,036.24

## Q3: Why have the rates changed?

All the pupil data used in calculating school budgets is provided by the DfE as part of a national data set. A sub set of the data set used as a measure of deprivation is known as IDACI (Income Deprivation Affecting Children Index). In 2016-17 this data was updated by the DfE, which resulted in changes to the numbers of pupils falling within various IDACI bands compared to the previous year. This resulted in a large degree of funding turbulence for schools and so to counter this, the rates used in 2016-17 for the IDACI and FSM bands were amended to smooth the impact of the EFA changes. This matter was presented to the Schools Forum and after some discussion, the Forum took the decision to try and maintain the previous overall levels of funding distributed by IDACI. In 2017-18, the EFA has confirmed that it has reverted back to the data used previously and therefore we have reverted back to the previous IDACI and FSM funding rates. This was discussed at the Schools Forum at the meeting on 19 January 2017.

## Q4: Why has my budget gone down (or up)?

The Minimum Funding Guarantee (MFG) ensures that no School's budget is reduced by more than 1.5% on a per pupil basis, which means that most budget changes are caused by pupil number changes. If your school budget is different from last year it will likely be as a result of the following:

- Changes in pupil numbers (including increases in funding as a result of agreed expansion classes)
- Changes in other pupil driven characteristics e.g. Free School Meal eligibility, IDACI deprivation indicator, English as an Additional Language or prior attainment numbers
- Transitional arrangements – i.e. the minimum funding guarantee protection reducing by a further -1.5%; or the level of the ceiling.
- An increase in the level of de-delegated budgets. At the Schools Forum meeting on 19 January 2017 additional de-delegated budgets were agreed and are detailed below.

## Q5: What are the de-delegated budgets in 2017-18?

The LA currently retains funding for certain budgets managed centrally to support schools. The Schools Forum agrees, on behalf of maintained schools, for this funding to be managed centrally by the Local Authority. These budgets are called de-delegated budgets (because they are notionally given to schools and then de-delegated back to the Local Authority). This applies to the following budgets in 2017-18 which were agreed by Schools Forum on 8 December 2016:

- Schools in financial difficulties – financial support for schools undergoing restructures that are also in financial difficulty as agreed by the Schools in Financial Difficulty panel;
- Maternity reimbursement scheme – this is used to reimburse maintained schools for the costs of qualifying members of staff on maternity leave;
- Trade union reimbursement scheme – this reimburses the costs of schools that employ union representatives which work across all maintained schools;
- Licences – this funds the costs of licences paid centrally by the LA on behalf of all schools;
- Free school meals team (primary schools only) – this team checks the eligibility for free entitlement to school meals linked to income deprivation;
- Behaviour support services – this funding contributes to the Early Help teams;
- Behaviour support services Summerhouse (maintained primary schools only) – this funding contributes to the provision of services provided to primary schools at Summerhouse. An increase to the budget for Summerhouse was agreed by Schools Forum on 8 December 2016.

For 2017-18 there have been two new de-delegations, one for education functions to fund ESG duties and one for school improvement services, both of which were agreed by Schools Forum on 21 January 2017. Further information about the ESG duties can be found in the Schools revenue funding operation guide in paragraph 90:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590167/Schools\\_revenue\\_funding\\_guide\\_updated\\_07\\_Feb\\_17.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590167/Schools_revenue_funding_guide_updated_07_Feb_17.pdf)

#### **Q6: What is my notional SEN budget in 2017-18?**

The notional SEN budget is the budget that mainstream schools are expected to use in order to:

- Meet the needs of pupils with low cost, high incidence SEN
- Contribute towards the costs of provision for pupils' high needs of up to 20 hours per week (i.e. pupils with SEN band 5 and 6 statements).

Please note that this is not additional funding, but is already included in the school budget figure shown in Section A.

#### **Q7: What data are 2017-18 schools budgets based on?**

Schools budgets are based on the **October 2016 school census data** for pupil numbers and characteristics e.g. FSM, EAL etc., supplied to the Local Authority by the Education Funding Agency (EFA).

#### **Q8: My school's data does not look right, can this be changed?**

The data set for schools budgets is now produced nationally by the DfE based on the data your school submitted in the October 2016 census return. Under the new arrangements, the LA has very limited discretion to make changes to this data so it is unlikely that any data issues will now be able to be amended. Please get in touch with the schools finance team if you have any concerns with the data used which is having a significant impact on your funding.

#### **Q9: What transitional arrangements are in place in 2017-18?**

Transitional arrangements remain in place this year to protect schools per-pupil funding in comparison to 2016-17. The rates that apply are:

- National Minimum Funding Guarantee (MFG) protection has been set at a rate of minus 1.5%;
- A ceiling of 1.27% has been applied, limiting the gains for individual schools to fund the costs of the MFG protection.

This transitional protection does not protect schools from pupil number reductions and does not adversely impact on schools with growing school rolls.

**Q10: How are schools funded for NNDR/rates?**

Schools NNDR/rates funding is required to be funded based on the actual current cost which may change during the year after schools budgets have been determined. This means that if a subsequent adjustment is necessary to ensure schools are funded based on the actual cost, the Council will bear the cost. Please contact the Council if this is relevant to your school. The rates you have been funded for are the estimated rates for 2017-18 which in a number of cases have risen since 2016-17. Schools will be funded based on the rate after any allowable rate relief is applied, therefore schools must ensure they have applied for any relief to which they are entitled. Please contact Southwark’s Business Rates team for further information.

**Q11: When will we receive details of any additional funding allocations for 2017-18?**

Schools will receive separate notification of the following funding allocations:

	<b>Funding allocation</b>	<b>Further details</b>	<b>Expected notification</b>
1	Devolved Formula Capital (DFC) funding	DFC grant is calculated using the same methodology as in previous years. Every school gets a fixed lump sum and a variable amount based on pupil numbers. The lump sum and per pupil rates will stay the same for the next 3 years. These allocations are calculated each year to reflect the January school census.	Final DFC allocations for 2017-18 have been published to :  <a href="https://www.gov.uk/government/publications/capital-allocations">https://www.gov.uk/government/publications/capital-allocations</a>
2	Early Years Block funding – Nursery classes*	Changes to the 2017-18 early years funding rates were agreed by Schools Forum at the 19 January 2017 meeting, in line with the new Early Years National Funding Formula guidelines set by central government. The new hourly rate for nursery classes in schools has been set at £5.95 for 3 and 4 year olds.	Schools will be provided with an indicative early years’ budget by 31 March 2017.
3	Free Healthy Schools Meals (FHSM) funding	Schools will be funded on the basis of the number of non-FSM pupils in years 3 to 6 who were recorded as having taken a meal on January 2016 census and assume that those pupils will have meals for 190 days.	Schools will be notified of FHSM allocations as soon as possible.

4	High Needs Block funding - funding for band 3 and 4 statements in mainstream schools*	<p>The funding is based upon actual numbers of pupils at the school who will be on one of 2 bands:</p> <ul style="list-style-type: none"> <li>• Band 3 - £15,125;</li> <li>• Band 4 - £12,715.</li> </ul> <p>A new banding structure will be implemented from April 2017, however, this will affect new EHCPs only and therefore does not impact on the initial allocation of funding for 2017-18.</p>	Will be available by 31 March 2017. This date is dependent on schools having returned any queries to the SEN Adjustments.
5	High Needs Block funding - SEN unit funding*	There are no changes to the 2017-18 top-up rates for SEN units.	Estimated high needs funding for Southwark pupils in SEN units for 2017-18 will be available by 31 March 2017.
6	Pupil Premium funding	<p>The Department for Education (DfE) have announced that the pupil premium in 2017-18 will be:</p> <ul style="list-style-type: none"> <li>• £1,320 for each eligible primary-aged pupil</li> <li>• £935 for each eligible secondary-aged pupil;</li> </ul> <p>Looked After Children Pupil Premium is managed by the Local Authority and schools can apply to Southwark for £1,500 per pupil.</p> <p>2017-18 allocations will be based on January 2016 school census data.</p>	<p>This data is updated nationally by the DfE and allocations are expected to be finalised later in the year.</p> <p>Illustrative allocations for individual schools are expected to be published by the DfE and will be available on their website. Schools should note that these will be <u>illustrative</u> allocations only and will be updated at a later date.</p> <p>The LA will notify schools of their actual final Pupil Premium allocations when confirmation is received from the DfE. The allocation may be adjusted for the March payment if pupil numbers have changed.</p>
7	Early years pupil premium funding	EYPP will be paid to pupils who are identified on the January 2017 EY census as being eligible. Eligible pupils will attract a universal hourly rate of 53p.	Schools will be contacted shortly regarding the full eligibility criteria and the process to claim this funding.
8	School sixth form funding	<p>There are 2 elements of funding :</p> <ul style="list-style-type: none"> <li>• Programme</li> <li>• Bursary</li> </ul>	<p>Allocations of programme funding for the remainder of academic year 2017-18 will be released by the LA on a monthly basis in advance.</p> <p>Allocations of funding for academic year 2017/18 are expected to be announced by the EFA by the end of March 2017. Bursary funding will be paid as a one-off and programme funding will be paid by the LA on a monthly basis in advance</p>

9	Universal Infants Free School Meals (UIFSM) funding	The current funding rate for the academic year 2016-17 is £2.30 per meal.	Final allocation of UIFSM funding for 2016-17 will be made in summer 2017. Schools will receive an amount equal to their final 2016-17 allocation minus the provisional allocation which they received in September 2016.
10	PE Grant	Only for primary age children.  Lump sum of £8k per school plus £5 per pupil in Y1-6.	The EFA pay 7/12 at the end of October and the balance at the end of April. The balance of the 2016-17 is due at the end of April 2017, and we are yet to hear about allocations for academic year 2017-18.

*\*Please note that these are estimated allocations, which will be updated during the year to reflect actual pupil details.*