

31<sup>st</sup> October 2018

	For action	For information
<b>To: Headteachers and Chairs of governing bodies of all maintained schools academies and free schools</b>	✓ <b>By 23<sup>rd</sup> November 2018</b>	
<b>Purpose:</b> A consultation document is attached setting out proposed changes to funding in 2019/20 affecting <b>all</b> mainstream schools and academies. Please respond to the consultation via 'Have Your Say' by Friday 23 <sup>rd</sup> November 2018.		

Dear Colleague

### **School Funding Consultation 2019/20**

I attach the School Funding Consultation 2019/20 document. This consultation document contains proposals and information that may affect school funding in 2019/20 and covers:

- Changes to the local funding formula for mainstream schools towards the implementation of the national funding formula.
- De-delegation of funding from maintained primary and secondary schools to create pooled budgets.
- The charge to maintained primary, secondary and special schools and Alternative Provision College for the General Duties Education Services Grant (ESG).
- A one-off transfer of approximately £2.3m from the Dedicated Schools Grant (DSG) Schools block to the High Needs block.
- A one-off transfer of £0.4m from the Dedicated Schools Grant (DSG) Early Years block to the High Needs block.
- An increase in the permanent exclusion school budget deduction rates to include additional needs pupil-led funding.

Responses to these proposals will be used to inform a Cabinet Member decision about formula funding changes for 2019/20, and to inform the decisions of the Schools Forum about:

- de-delegation in order to create pooled funding for LA maintained schools for specified services,
- charges for the General Duties ESG and
- the transfer of funding from the Schools block and Early Years block to the High Needs block.

Please register your comments by **Friday 23<sup>rd</sup> November 2018**.

Briefing sessions about the consultation proposals have been arranged for governors and headteachers.

- 8<sup>th</sup> November – Committee Room 3 County Hall Chichester – 5.30 p.m.
- 15<sup>th</sup> November – The Barn, Field Place, Worthing - 5.30 p.m.
- 21<sup>st</sup> November – Main Conference Rm, County Hall North, Horsham - 5.30 p.m.

A separate letter has been sent (H3404 dated 31<sup>st</sup> October 2018) with a booking link to the briefing sessions. (**NB:** Headteacher/Chair of Governors will need to be logged in to view)

Yours sincerely

**GRAHAM OLWAY**

Head of School Organisation, Capital Planning & Transport

# SCHOOL FUNDING REVIEW 2019/20

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November 2018

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## 1 Background

- 1.1 Every year West Sussex County Council consults schools and academies on proposed changes to funding arrangements which arise from national changes to funding regulations or local changes. Schools Forum will be informed of the feedback from schools on the consultation issues before recommendations are made to the Cabinet Member for Education and Skills for decision in January 2019.
- 1.2 This document sets out the proposals for changes to the Schools Block funding formula for mainstream schools and academies to take effect in 2019/20, subject to the outcome of this consultation.
- 1.3 The Schools Block funding formula proposals set out transitional arrangements for 2019/20 towards the implementation of the 'hard' national funding Formula (NFF) for mainstream schools and academies.
- 1.4 In view of the cost pressures (estimated at £8.56m in 2019/20) affecting the High Needs block which funds alternative provision, special schools and special support centres (SSCs) attached to mainstream schools, it is proposed to transfer approximately £0.4m from the Early Years block and £2.3m from the Schools block towards the budget pressures. National school funding regulations limit the transfer to a maximum of 0.5% of the total Schools block in 2019/20.
- 1.5 We are also seeking feedback from Local Authority (LA) maintained primary and secondary schools about de-delegation of specified services. There is also a proposal to change the way the LA charge maintained schools and academies for permanent exclusions.
- 1.6 There is also information about proposals to increase the charge for the General Duties Education Services Grant (ESG) from all maintained schools except nursery schools.
- 1.7 This document sets out a number of proposals that are subject to change as a result of school finance regulations that have not yet been published and the receipt of further information from the government. The financial models are based on October 2017 census data and are illustrative only since they are subject to change when October 2018 census data is released in December 2018.
- 1.8 The outcome of this consultation on proposed formula and other funding changes will be notified to schools in February 2019.

## 2 Schools Block National Funding Formula

- 2.1 The Schools block NFF was introduced in 2018/19. Once fully implemented the new formula is expected to target an extra £27.7m to West Sussex schools. In 2018/19, due to the implementation of the NFF funding being phased, although the Schools block in West Sussex increased by £19.9m, only £12.8m was due to additional NNF funding with the remaining £7.1m due to an increase in pupil numbers between October 2016 and October 2017.
- 2.2 The government has published indicative funding figures based on October 2017 census data; these will be updated for October 2018 data in the Government's funding settlement in December 2018. The indicative funding allocations for the

Schools, High Needs and Central Services blocks in West Sussex are set out in the table below.

	Schools Block £m	High Needs Block £m	Central Services Block £m
2018/19 Allocation	445.645	77.498	8.672
2019/20 Allocation	455.553	78.453	8.584
Change over 2018/19	9.908	0.955	-0.088

2.3 In order to avoid significant fluctuations in funding and maintain stability during implementation, although the NFF was introduced from 2018/19 it was done using 'soft formula' arrangements where the DfE allocated funding to LAs for the total of the schools in their area, and then each LA were asked to distribute their allocation by means of a local funding formula during 2018/19 and 2019/20.

2.4 The DfE have re-affirmed that it is their long term intention that schools' budgets should be set on the basis of a single, national 'hard' formula where all schools will be funded via the NFF. However, in July 2018 they announced that a move to the 'hard' NFF would be delayed by at least a year, with Local Authorities being asked to continue to determine local school allocations under the 'soft formula' arrangements in 2020/21.

2.5 The NFF is based on four building blocks to reflect types of school costs, as detailed in the table below:

**Table 1 - Factors in the schools national funding formula**

<b>A</b>	<b>Basic per pupil funding</b>	<b>Age-weighted pupil unit</b>		<b>Minimum per pupil level</b>			
<b>B</b>	<b>Additional needs funding</b>	<b>Deprivation</b>	<b>Low prior attainment</b>	<b>English as an additional language</b>	<b>Mobility</b>		
<b>C</b>	<b>School-led funding</b>	<b>Lump sum</b>	<b>Sparsity</b>	<b>Premises</b>			<b>Growth</b>
				<i>Rates</i>	<i>PFI</i>	<i>Split sites</i>	<i>Exceptional premises</i>
<b>D</b>	<b>Geographic funding</b>	<b>Area Cost Adjustment</b>					

**NB: Not to scale. Funding for factors in *italics* will be allocated to local authorities on the basis of historic spend in 2018-19**

2.6 The only change in the way the NFF is calculated in 2019/20 as compared to 2018/19 is in relation to the growth factor of the school-led funding. This was allocated on an historic basis in the current year, but a new formula approach is to be used in 2019/20. This is to be calculated on a lagged basis, whereby the DfE will use the change in pupil numbers between the October censuses in 2017

and 2018 as a proxy for the level of growth in 2019/20. Other key points to note about this new formula factor include:

- Growth will be measured at the level of Middle Super Output Areas (MSOAs). These are areas used by the Office of National Statistics and are based on population data. (There are 96 within West Sussex).
- Only positive increases within each MSOA will be counted.
- The unit values for each measured growth pupil in 2019/20 will be £1,370 for each primary pupil and £2,050 for each secondary pupil.
- An additional £65,000 will be included for any new school recorded on the latest October census.

2.7 Indicative calculations indicate that the formula allocation of the growth factor is likely to be lower than our historic basis allocation. Despite this it is not intended to change the growth fund criteria for West Sussex schools this year, although this will need to be reviewed over the next 12 months with any proposed changes to the criteria in 2020/21 being consulted on next year.

2.8 As with 2018/19, the Schools block remains largely ring-fenced and therefore the vast majority of the funding must be passed directly to schools. However, the limited flexibility given to LAs last year which enabled them to transfer a maximum of 0.5% of the School block into other areas where this meets local circumstances has been extended into 2019/20.

2.9 Any transfer between blocks can only be made with agreement of Schools Forum following consultation with all schools. LAs must set out clearly the reason for the transfer taking into account the context of the local authority's strategic approach.

2.10 For 2019/20, the DfE has provided LAs with funding for schools calculated by applying the NFF at individual school level on the basis of an increase in:

- The minimum per pupil level of funding to £4,800 (2018/19 £4,600) per secondary pupil and £3,500 (£3,300) per primary pupil,
- The minimum gain (funding floor) to 1% (0.5%) per pupil against 2017/18, and
- The cap (ceiling) on any gains to 6.09% (3%) per pupil against 2017/18.

### 3 The Impact of the NFF in West Sussex

3.1 The new NFF used to calculate our indicative 2019/20 Schools block allocation, is significantly different to our historic local formula, with the main changes being a reduction in the lump sum for fixed costs from £150,000 to £110,000 per school, and a change in the way deprivation funding is allocated, with a basket of measures including IDACI (Income Deprivation Affecting Children Index), Free School Meals and Free Schools Meals Ever 6 being used.

3.2 In 2018/19, following consultation, Schools Forum agreed to reduce the lump sum for secondary schools to the NFF level of £110,000 whilst maintain the lump sum for primary schools at the local level of £150,000. However, it was recognized that the primary lump sum value could not be maintained at that level and would need to be reduced as we move closer to the 'hard' formula implementation.

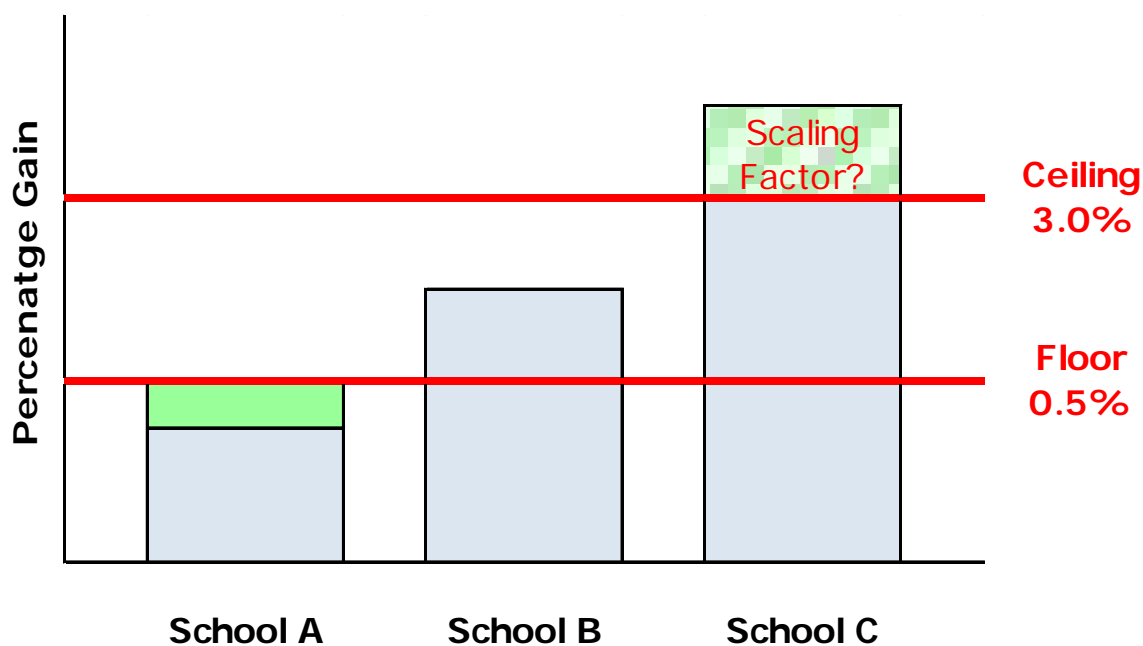
3.3 The funding models being consulted on this year therefore assume a phased reduction in the primary lump sum to £130,000, or a complete reduction to the NFF level of £110,000.

3.4 Whilst the reduction in the lump sum, whether phased or complete, is significant for most primary schools, the impact on the overall level of funding is broadly mitigated through the application of the formula's funding protection mechanism.

#### 4 The Funding Floor and Ceiling

4.1 The NFF, as with the current West Sussex local formula, includes a funding protection mechanism to limit the funding reductions at individual school level. This is known as funding floor protection in the NFF, and the Minimum Funding Guarantee (MFG) in our local formula. The funding for the MFG can be found by also applying a ceiling on the gains of other schools, and therefore:

- School A whose formula allocation falls beneath the MFG would qualify for additional funding to reach this 'minimum' level of funding (the floor),
- School B whose formula allocation falls above the floor, but beneath the ceiling, would receive its full formula funding entitlement, and
- School C whose formula allocation falls above the ceiling, would see its level of funding reduced down to the ceiling level or scaled back, in order to contribute to the funding of School A and other schools with losses.



4.2 As a result, the way in which this mechanism works it is possible for any gains or losses arising from changes in the value of individual formula factors to be overridden by the MFG or ceiling calculation at school level.

4.3 It should be noted that although the MFG protects the level of funding per pupil, it does not protect against the loss of funding resulting from falling pupil numbers.

4.4 Although the funding to LAs is allocated on one basis through the NFF, the allocation to schools by LAs in 2019/20 must follow separate DfE regulations as follows:

- The MFG cannot exceed 0.5%, and can be set at a loss of up to 1.5% per pupil

- LAs may determine their own minimum per pupil level of funding for secondary and primary pupils
- The level of the MFG and ceiling must be the same for both primary and secondary sectors.

5. Proposed One-Off Budget Transfer in 2019/20 from the DSG Schools Block to the High Needs Block (affects all maintained schools and academies)

- 5.1 Funding pressures affecting the High Needs block have grown over the last four years since the implementation of the Children and Families Act 2014 resulting in increased requests for:
- Education Health and Care Needs Assessments (EHCNAs)
  - Pre-16 specialist placements (special schools, SSCs and Independent and Non-Maintained Special Schools (INMSS))
  - Post-16 HN placements in special schools, colleges of FE or Independent Specialist Providers (ISP).
  - Personal budgets and exceptional needs expenditure to meet very complex needs.
- 5.2 These pressures affect the majority of LAs, but some will gain increased funding through the High Needs NFF. West Sussex has higher expenditure per pupil aged 2-19 on High Needs than many of its statistical neighbours and therefore will gain little additional funding whilst the High Needs NFF is being implemented. As is the case with the Schools block, there is also a funding floor protection mechanism within the High Needs block to limit year on year reductions in funding.
- 5.3 The funding regulations that were put in place in 2018/19 to allow LAs to consult with schools and Schools Forum about transferring up to 0.5% of the Schools block towards High Needs cost pressures have been extended into 2019/20. The purpose of consulting schools is to:
- Present a range of evidence to support a proposal to transfer approximately £2.3m from the Schools block to the High Needs block and
  - Seek views about that proposal.
- 5.4 The High Needs block funds special schools, special support centres in mainstream schools and academies, Individually Assigned Resources (IARs) for pupils with EHCPs in mainstream schools, placements in independent special schools, alternative provision, the Virtual School for Children Looked After, specialist teacher teams working with pupils with complex SEN, post-16 support for students with complex needs in colleges of FE and specialist college placements, collaborative working with locality groups of schools, and other targeted SEN expenditure to improve education outcomes for children and young people with SEN.
- 5.5 Our High Needs expenditure within West Sussex is largely driven by the number of pupils with an Education and Health Care Plan (EHCP). Back in March 2015 we had 3,423 children and young people with EHCPs, and since that time those numbers have risen to 4,912 in March 2018 – an increase of 1,489 (43.5%).

<b>Breakdown by Placement Type - Number of EHCPs</b>	<b>Mar 16</b>	<b>Mar 17</b>	<b>Mar 18</b>
Post School (16-25)	272	611	897



Mainstream	1243	1372	1437
Independent & Non Maintained Schools	369	412	432
Special Schools	1553	1610	1645
Special Support Centres	351	326	346
Alternative Provision	17	16	16
Other:	133	164	139
<b>Total Number of Final EHCPs (excluding OLA pupils)</b>	<b>3938</b>	<b>4511</b>	<b>4912</b>
<b>Cumulative percentage increase</b>	<b>15.0%</b>	<b>31.8%</b>	<b>43.5%</b>

So far this year numbers have continued to rise – increasing by a further 173 as at the end of August 2018.

5.6 One of the main reasons for the increasing level of EHCPs has been the extension of support to young people up to the age of 25. Statements previously lapsed at age 19, however since 2015 when the system was reformed, West Sussex, along with all other local authorities, has been supporting a new cohort of young people aged 19-25 for which they have received no additional funding. This has resulted in the demand for both post 16 and post 19 support rising considerably. These reforms have also raised the expectations of children, young people and their families and there is now an expectation that young people will stay in education until they reach 25.

5.7 The other main reasons for the spending pressures being experienced in West Sussex, include:

- The needs of children with special educational needs and/ or disabilities are becoming more complex and this is driving increased financial pressures across the system. There is a shortage of local specialist educational provision to meet need, particularly in relation to Autism Spectrum Disorder, and this is resulting in increased specialist placements with independent providers. We are also seeing increased demand for top-up funding across all settings.
- There is a lack of capacity within mainstream settings to provide a graduated response to additional needs. Many schools are facing financial pressures and therefore do not have the capacity to provide additional support to pupils. As a result, this is driving up the demand for more specialist education services as children with low level SEND who could potentially attend mainstream schools are being educated in more specialist provision. This is coupled with an increase in the number of pupils being excluded and the need to provide costly alternative provision.
- Parental requests for specific high cost placements and tribunal decisions to support parental preference are also further driving demands on the High Needs block.

5.8 Based on an assumption that the number of pupils identified as needing additional support through an EHCP will continue to rise at the current rate it is projected that expenditure in High Needs is set to increase by a further £5.6m in 2019/20. Since the current year's budget also includes one-off funding of £2.2m from the Schools block and £0.760m from DSG reserves, this means that our underlying shortfall next year stands at £8.560m.

	£m
Current placement pressure in 2018/19	1.600

Add back one-off funding in 2018/19:	
Schools block transfer	2.200
Transfer from DSG reserves	0.760
Additional pressures in 2019/20:	
Inflationary pressures	0.400
Continues growth in placements	3.600
<b>Underlying demand pressure</b>	<b>8.560</b>

5.9 Unlike the other DSG blocks the majority of the High Needs block allocation is not driven by pupil driven units of funding. 50% of the funding nationally is based on an historic spend factor which is being maintained at a cash-flat level, and within West Sussex 25% of our allocation is based on our overall school age 2-18 population numbers which is rising at about 1.5% per year. As a result, the additional funding we are set to receive next year is not keeping pace with the level of demand within the system. Indeed our indicative allocation for this block in 2019/20 is £78.453m, which is only £0.955m higher than the 2018/19 funding level of £77.498m.

19/20 Indicative Allocation	Funding Rate £	Pupil Numbers Oct 2017	Total Funding £
Basic Entitlement	4,044.66	1,901	7,688,891
Core Allocation			71,291,348
Import/Export Adjust	6,000.00	-177	-1,062,000
Hospital Education			534,391
Total High Needs			<u>78,452,630</u>

5.10 The SEND Strategy is making progress to help address some of the causes of pressures on the High Needs block. It is being implemented over 3 years at a cost of £0.9m which is funded by a one-off DfE HN Strategic Planning Grant of £0.3m and £0.6m from WSCC. The implementation of the SEND Strategy has been strengthened both by improved governance (including school and parent representation) and project management and actions related to increasing inclusion and developing more appropriate provision, for example:

- Piloting the Index for Inclusion with 65 schools across the county
- Additional support for SENCOs through a leadership development programme and the appointment of an Area SENCO.
- The development of new SSCs and changes to current provision where required
- Piloting additional therapy provision in special school to avoid INMSS placements.
- The establishment of an Intensive Planning Team to test ways of working more flexibly with children at risk of INMSS placements.

5.11 There will continue to be long-term funding pressures in the High Needs block compounded by the implementation of the High Needs NFF. It is not yet clear

whether national school funding regulations will allow further transfers from the Schools block to High Needs in future years.

- 5.12 The indicative financial impact of the proposed transfer on schools and academies in 2019/20 is set out in the new Schools block formula options A and B (see below).

**Question: What are your views about the proposal to transfer 0.5% of the Schools Block to the High Needs Block in 2019/20?**

6. Proposed One-Off Budget Transfer in 2019/20 from the DSG Early Years Block to the High Needs Block (affects all early year providers)

- 6.1 The Early Years block funds the free entitlement to 15 hours per week nursery education for three and four year olds and eligible two year olds. The free entitlement is mostly provided in private, voluntary and independent settings but there are also four maintained nursery schools and eleven maintained nursery classes attached to mainstream schools and academies. Since September 2017, the Early Years block has also included funding for the implementation of the 30 hours free entitlement for eligible parents of three and four year olds.
- 6.2 The indicative 2019/20 funding allocations for the Early Years block in West Sussex has yet to be announced, but its allocation in 2018/19 is set out in the table below.

<b>Funding Streams</b>	2018/19 Allocation £m
Two year old funding	4.702
Three and four year old funding	44.214
Additional funding (MNS, EYPP & DAF)	1.065
<b>Total Early Years Block</b>	<b>49.981</b>

- 6.3 As with the Schools block, there is also a requirement within the Early Years block for the LA to pass through the majority of the funding it receives to its early year providers. In the case of this block, the LA is required to pass through 95% of the three and four year old funding that it receives.
- 6.4 In 2018/19, the LA has retained £1.784m (equivalent to 4% of the three and four year old funding) to cover the costs of the Area SENCO role which is fulfilled by the WSCC Early Years Consultants and Advisers, specialist support such as Speech and Language therapy, and other costs including administration and ensuring compliance of the scheme.
- 6.5 It is currently anticipated that this centrally retained budget will be £0.400m underspent at the end of the financial year. Given that between March 2015 and March 2018 the number of children below school age has more than doubled from 25 to 54, rather than increase its spending in this area next year, the LA is proposing to transfer these currently uncommitted funds to the High Needs block in 2019/20.

**Question: What are your views about the proposal to transfer £0.4m of the Early Years Block to the High Needs Block in 2019/20?**

7. Changes to funding arrangements for permanent exclusions (affects all maintained schools and academies)

7.1 One of the reasons for the spending pressures being experienced in the High Needs block is the increase in the number of pupils being excluded and the need to provide costly alternative provision. The number of permanently excluded pupils in West Sussex has doubled over the last four years, increasing from 70 in 2013/14 to 139 in 2017/18.

7.2 When a pupil is excluded from school, in accordance with the School and Early Years Finance (England) Regulations 2017 section 27, funding is removed from the school by the LA from the sixth day following the headteacher's decision to permanently exclude the pupil.

7.3 The deduction made to the school's budget by the LA is currently calculated on the basic entitlement pupil led funding (i.e. the age weighted pupil unit (AWPU)) that the school receives and also the pupil premium that the excluded pupil attracts. These daily rates are as follows:

AWPU 2018/19

	<b>Primary</b>	<b>KS3</b>	<b>KS4</b>
<b>Per Pupil</b>	£2,746.99	£3,808.50	£4,385.81
<b>Days</b>	190	190	190
<b>Daily Rate</b>	£14.46	£20.04	£23.08

Pupil Premium 2018/19

	<b>Primary</b>	<b>KS3</b>	<b>KS4</b>
<b>PP FSM E6</b>	£1,320.00	£935.00	£935.00
<b>Days</b>	190	190	190
<b>Daily Rate</b>	£6.95	£4.92	£4.92

	<b>Primary</b>	<b>KS3</b>	<b>KS4</b>
<b>PP CLA</b>	£2,300.00	£2,300.00	£2,300.00
<b>Days</b>	190	190	190
<b>Daily Rate</b>	£12.11	£12.11	£12.11

	<b>Primary</b>	<b>KS3</b>	<b>KS4</b>
<b>PP AfC</b>	£2,300.00	£2,300.00	£2,300.00
<b>Days</b>	190	190	190
<b>Daily Rate</b>	£12.11	£12.11	£12.11

	<b>Primary</b>	<b>KS3</b>	<b>KS4</b>
<b>PP SC</b>	£300.00	£300.00	£300.00
<b>Days</b>	190	190	190
<b>Daily Rate</b>	£1.58	£1.58	£1.58

7.4 However, the finance regulations also state that the deduction made must relate to the age and personal circumstances of that pupil, which therefore means that the deduction should cover not just the basic entitlement, but also the relevant amounts for pupil-led factors, such as free school meals or English as an additional language, where the pupil attracted funding through those criteria.

7.5 Since the majority of the new funding going to mainstream schools and academies through the NFF is tied to the additional needs pupil-led factors rather

than the basic entitlement the LA is proposing to increase the deduction made to school budgets in 2019/20 to also include the additional needs funding that the school attracts.

- 7.6 The actual deduction rate to be made in relation to the additional needs funding elements next year will depend on which of the proposed schools block formula options (see below) are adopted in 2019/20.

**Question: Please comment on the proposed increase in the permanent exclusion school budget deduction rates to include additional needs pupil-led funding.**

## 8 New Schools Block Formula Options

- 8.1.1 West Sussex is unable to fully replicate the NFF model in 2019/20 as it will not receive its full funding allocation under the national formula until 2020/21. As a result, a transitional local formula model is still required next year. Each of the proposed models set out below sees a move towards the national model.

- 8.1.2 To aid understanding on how the budget allocations set out under each option have been arrived at, a spreadsheet setting out the indicative allocation in more detail, using the School Budget Statement format, has been included on the Have Your Say budget consultation webpage. This spreadsheet is titled 'Primary & Secondary Modelling Options Budget Shares', and also includes the 2018/19 School Budget Statements for comparison purposes.

- 8.1.3 In terms of the summary tables that are set out below, these do not include the three growing schools (Forge Wood, Bohunt Worthing and Gatwick free school) and the newly amalgamated Bishop Tufnell primary school. Chichester free school is included in with secondary schools.

### 8.2 **Option 1 – Phased reduction in primary lump sum**

- 8.2.1 Primary schools - Lump sum to reduce from £150,000 to £130,000. Full NFF rates applied to basic entitlement, IDACI and free school meals (FSM). The remaining additional needs pupil led funding rates to increase as follows;

- FSM ever6 to increase from £180 to £360 per pupil (NFF £540),
- English as an additional language to increase from £400 to £455 per pupil (NFF £515), and
- Low prior attainment to increase from £772.50 to £879 per pupil (NFF £1,022).

- 8.2.2 Secondary schools - Lump sum to remain at NFF rate of £110,000. Full NFF rates applied to basic entitlement and all additional needs pupil led funding with the exception of low prior attainment rate which would increase from £1,200 to £1,360 per pupil (NFF £1,550).

- 8.2.3 Minimum per pupil levels of funding to be increased to £50 below NFF rate; £3,450 for primary schools and £4,750 for secondary schools. Crawley schools benefit from NFF area cost adjustment of 5.61%.

- 8.2.4 The Minimum Funding Guarantee (MFG) has been set at 0.5% to ensure that every school gains by at least 0.5% in line with the increased allocation received by the LA from government.

8.2.5 A summary of the funding increases that each school will receive under this option, together with the average increase per school and per pupil by phase are set out in the tables below:

	Option 1				
	Total	Small	Primary		Secondary
	Schools	Primary	<250	250+	
<b>0 to 0.5%</b>	138	53	56	29	0
<b>0.51 to 1.5%</b>	37	0	3	32	2
<b>1.51 to 2.5%</b>	16	0	2	14	0
<b>2.51 to 3%</b>	6	0	1	3	2
<b>3+%</b>	65	0	1	31	33
<b>Total</b>	<b>262</b>	<b>53</b>	<b>63</b>	<b>109</b>	<b>37</b>

	Total Schools	Option 1		
		Total	Avg. per school	Avg. per pupil
<b>Small Schools</b>	53	£85,874	£1,620	£16.36
<b>Primary (&lt;250)</b>	63	£283,692	£4,503	£22.27
<b>Primary (250+)</b>	109	£3,322,572	£30,482	£72.88
<b>Secondary</b>	37	£7,221,435	£195,174	£180.67
<b>Total change</b>	<b>262</b>	<b>£10,913,572</b>	<b>£41,655</b>	<b>£105.39</b>

8.2.6 Small Primary schools (< 150 pupils) - All 53 of the schools are on the funding floor, as the funding gained on the additional needs pupil led factors is less than the £20,000 lost on the reduction in the lump sum.

8.2.7 Primary schools < 250 pupils – 56 of these schools are also on the funding floor. 3 of the remaining 7 schools not on the 'floor' are in Crawley so benefit from the increase in the area cost adjustment.

8.2.8 Primary schools < 250 pupils - 29 schools are dependent on the MFG protection and are therefore on the funding floor. A further 30 schools benefit from the increase in the minimum per pupil funding level (MpPFL), and 20 Crawley schools from the increase in the area cost adjustment rate. 1 school benefits from both of these increases. As a result, 31 of these schools are seeing an increase in their budget share of over 3%. The remaining 29 schools are seeing an increase in their school budget share of between 0.5% and 2.2%.

8.2.9 Secondary schools – All 37 schools gain from the increases in the KS3 basic entitlement rate, FSM ever6, English as an additional language, and low prior attainment rate, with 15 of these schools also benefitting from the increase in the MpPFL. The 6 schools in Crawley benefit from the increase in the area cost adjustment rate. The majority of the schools gaining from the MpPFL are seeing an increase in their budget share of 4.4%, whilst the Crawley schools are gaining between 4% and 5.4%.

### 8.3 Option 2 – Full reduction in primary lump sum

8.3.1 Primary schools - Lump sum to reduce to NFF rate of £110,000. Full NFF rates applied to basic entitlement and all additional needs pupil led funding with the exception of low prior attainment rate which would increase from £772.50 to £880 per pupil (NFF £1,022).

- 8.3.2 Secondary schools – Lump sum to remain at NFF rate of £110,000. Full NFF rates applied to basic entitlement and all additional needs pupil led funding with the exception of low prior attainment rate which would increase from £1,200 to £1,360 per pupil (NFF £1,550). [As for option 1]
- 8.3.3 Minimum per pupil levels of funding to be increased to £50 below NFF rate; £3,450 for primary schools and £4,750 for secondary schools. Crawley schools benefit from NFF area cost adjustment of 5.61%. [As for option 1]
- 8.3.4 The Minimum Funding Guarantee (MFG) has been set at 0.5% to ensure that every school gains by at least 0.5% in line with the increased allocation received by the LA from government. [As for option 1]
- 8.3.5 A summary of the funding increases that each school will receive under this option, together with the average increase per school and per pupil by phase are set out in the tables below:

	Option 2				
	Total	Small	Primary		Secondary
	Schools	Primary	<250	250+	
0 to 0.5%	153	53	60	40	0
0.51 to 1.5%	28	0	2	24	2
1.51 to 2.5%	13	0	1	12	0
2.51 to 3%	8	0	0	7	1
3+ %	60	0	0	26	34
<b>Total</b>	<b>262</b>	<b>53</b>	<b>63</b>	<b>109</b>	<b>37</b>

	Total Schools	Option 2		
		Total	Avg. per school	Avg. per pupil
Small Schools	53	£91,174	£1,720	£17.37
Primary (<250)	63	£238,802	£3,791	£18.74
Primary (250+)	109	£3,335,243	£30,599	£73.15
Secondary	37	£7,227,921	£195,349	£180.83
<b>Total change</b>	<b>262</b>	<b>£10,893,140</b>	<b>£41,577</b>	<b>£105.20</b>

- 8.3.6 Small Primary schools - Again all 53 of the schools are on the funding floor, as the funding gained on the additional needs pupil led factors is less than the £40,000 lost on the reduction in the lump sum. Despite the increased reduction in the lump sum, all these schools are marginally better off by £100 under option 2 than option 1 due to the 0.5% MFG protection on the additional £20,000 lost.
- 8.3.7 Primary schools < 250 pupils – 56 schools on the funding floor see their budget share increase by £100 under option 2, compared to option 1. The remaining 7 schools will see their budget share fall by up to 1.6%, compared to option 1, as the funding gained from the increase in the additional needs pupil led factor rates is less than the additional £20,000 lost on the reduction in the lump sum.
- 8.3.8 Primary schools > 250 pupils – 26 schools on the funding floor see their budget share increase by £100 under option 2, compared to option 1. The budget share for the 31 schools that benefit from the MpPFL in option 1 remains the same. 21 schools will see their budget share rise by up to 0.9%, compared to option 1, whilst 30 schools will see their budget share fall by up to 1.5%.

8.3.9 Secondary schools – A change in the primary lump sum has no direct impact on any of the secondary schools. All these schools are therefore largely unaffected, and so their budget will remain very similar to, if not the same as, the one under option 1.

#### 8.4 Option 3 – Full reduction in primary lump sum and NFF minimum per pupil funding rates

8.4.1 Primary schools - Lump sum to reduce to NFF rate of £110,000. Full NFF rates applied to basic entitlement and all additional needs pupil led funding with the exception of low prior attainment rate which would reduce from £772.50 to £636 per pupil (NFF £1,022).

8.4.2 Secondary schools – Lump sum to remain at NFF rate of £110,000. Full NFF rates applied to basic entitlement and all additional needs pupil led funding with the exception of low prior attainment rate which would reduce from £1,200 to £1,050 per pupil (NFF £1,550).

8.4.3 Minimum per pupil levels of funding to be increased to full NFF rates; £3,500 for primary schools and £4,800 for secondary schools. Crawley schools benefit from NFF area cost adjustment of 5.61%.

8.4.4 The Minimum Funding Guarantee (MFG) has been set at 0.5% to ensure that every school gains by at least 0.5% in line with the increased allocation received by the LA from government. [As for option 1]

8.4.5 A summary of the funding increases that each school will receive under this option, together with the average increase per school and per pupil by phase are set out in the tables below:

	Option 3				
	Total	Small	Primary		Secondary
	Schools	Primary	<250	250+	
<b>0 to 0.5%</b>	171	53	63	54	1
<b>0.51 to 1.5%</b>	13	0	0	10	3
<b>1.51 to 2.5%</b>	19	0	0	15	4
<b>2.51 to 3%</b>	12	0	0	9	3
<b>3+%</b>	47	0	0	21	26
<b>Total</b>	<b>262</b>	<b>53</b>	<b>63</b>	<b>109</b>	<b>37</b>

	Total Schools	Option 3		
		Total	Avg. per school	Avg. per pupil
<b>Small Schools</b>	53	£91,174	£1,720	£17.37
<b>Primary (&lt;250)</b>	63	£210,844	£3,347	£16.55
<b>Primary (250+)</b>	109	£3,272,285	£30,021	£71.77
<b>Secondary</b>	37	£7,313,179	£197,653	£182.97
<b>Total change</b>	<b>262</b>	<b>£10,887,482</b>	<b>£41,555</b>	<b>£105.14</b>

8.4.6 Small Primary schools - The increase in the MpPFL funding rates has no impact on any of the 53 schools, and therefore their budget share increase under option 3 remains the same as under option 2.



- 8.4.7 Primary schools < 250 pupils – 56 schools on the funding floor see their budget share increase under option 3 remain the same as under option 2. The remaining 7 schools will see their budget share fall by up to 2.7%, compared to option 1, due to the reduction in the low prior attainment funding rate.
- 8.4.8 Primary schools > 250 pupils – 20 schools on the funding floor see their budget share increase under option 3 remain the same as under option 2. The 31 schools that benefit from the MpPFL in option 1, together with an additional 13 schools who also benefit when the rate is increased, will all see an increase in their budget share of up to 1.5%, compared to option 1. The remaining 45 schools will see their budget share fall by up to 2.8%, compared to option 1, due to the reduction in the low prior attainment funding rate.
- 8.4.9 Secondary schools - The 15 schools that benefit from the MpPFL in option 1, together with an additional 5 schools who also benefit when the rate is increased, will all see an increase in their budget share of up to 5.5%. The remaining 17 schools will see their budget share fall between 0.4% and 1.9%, compared to option 1, due to the reduction in the low prior attainment funding rate.

## 8.5 Option 4 – Phased reduction in primary lump sum and 0% MFG

- 8.5.1 Primary schools - Lump sum to reduce from £150,000 to £130,000. Full NFF rates applied to basic entitlement, IDACI and free school meals (FSM). The remaining additional needs pupil led funding rates to increase as follows;
- FSM ever6 to increase from £180 to £360 per pupil (NFF £540),
  - English as an additional language to increase from £400 to £455 per pupil (NFF £515), and
  - Low prior attainment to increase from £772.50 to £918 per pupil (NFF £1,022).
- 8.5.2 Secondary schools - Lump sum to remain at NFF rate of £110,000. Full NFF rates applied to basic entitlement and all additional needs pupil led funding with the exception of low prior attainment rate which would increase from £1,200 to £1,400 per pupil (NFF £1,550).
- 8.5.3 Minimum per pupil levels of funding to be increased to £50 below NFF rate; £3,450 for primary schools and £4,750 for secondary schools. Crawley schools benefit from NFF area cost adjustment of 5.61%. [As for option 1]
- 8.5.4 The Minimum Funding Guarantee (MFG) has been set at 0%. This means that any school on the funding floor (i.e whose budget is protected at a higher level than the 2019/20 formula allocation) will see its budget effectively frozen at 2018/19 levels.
- 8.5.5 A summary of the funding increases that each school will receive under this option, together with the average increase per school and per pupil by phase are set out in the tables below:

	Option 4				
	Total	Small	Primary		Secondary
	Schools	Primary	<250	250+	
<b>0%</b>	108	53	49	6	0
<b>0.01 to 0.5%</b>	18	0	5	13	0
<b>0.51 to 1.5%</b>	42	0	4	37	1

<b>1.51 to 2.5%</b>	20	0	3	16	1
<b>2.51 to 3%</b>	6	0	1	4	1
<b>3+%</b>	68	0	1	33	34
<b>Total</b>	<b>262</b>	<b>53</b>	<b>63</b>	<b>109</b>	<b>37</b>

	Total Schools	Option 4		
		Total	Avg. per school	Avg. per pupil
<b>Small Schools</b>	53	£0	£0	£0.00
<b>Primary (&lt;250)</b>	63	£144,667	£2,296	£11.35
<b>Primary (250+)</b>	109	£3,531,758	£32,401	£77.46
<b>Secondary</b>	37	£7,231,149	£195,436	£180.91
<b>Total change</b>	<b>262</b>	<b>£10,907,574</b>	<b>£41,632</b>	<b>£105.34</b>

8.5.6 Small Primary schools - All 53 schools are on the funding floor, and since the MFG has been set at 0%, all these schools will see their budget share being cash frozen at its 2018/19 level.

8.5.7 Primary schools < 250 pupils – 49 schools will see their budget share being cash frozen at its 2018/19 level, and 4 schools will see their budget share fall by up to 0.4%, compared to option 1, due to the reduction in the MFG. The remaining 10 schools will all see increases in their budget share of up to 0.5%, compared to option 1, due to an additional £39 on the low prior attainment rate.

8.5.8 Primary schools > 250 pupils – 6 schools will see their budget share being cash frozen at its 2018/19 level, and 10 schools will see their budget share fall, compared to option 1, due to the reduction in the MFG. The budget share for the 31 schools that benefit from the MpPFL in option 1 remains the same. However, the remaining 62 schools will all see increases in their budget share of up to 0.6%, compared to option 1, due to an additional £39 on the low prior attainment rate.

8.5.9 Secondary schools - The budget share for the 15 schools that benefit from the minimum per pupil funding level in option 1 remains the same. However, the remaining 22 schools will all see minor increases in their budget share due to an additional £40 on the low prior attainment rate.

## 8.6 Option A – Transfer to High Needs block through reduced minimum per pupil funding level and area cost adjustment

8.6.1 Primary schools – All rates as per option 1.

8.6.2 Secondary schools – All rates as per option 1.

8.6.3 Minimum per pupil levels of funding to be set at £100 below NFF rate; £3,400 for primary schools and £4,700 for secondary schools. The area cost adjustment for Crawley schools to be held at the same rate as 2018/19 - 4.26% (NFF 5.61%).

8.6.4 The Minimum Funding Guarantee (MFG) has been set at 0.5%. [As per option 1]

8.6.5 A summary of the funding increases that each school will receive under this option, together with the average increase per school and per pupil by phase are set out in the tables below:

	Option A				
	Total	Small	Primary		Secondary
	Schools	Primary	<250	250+	
0 to 0.5%	149	53	57	39	0
0.51 to 1.5%	34	0	3	29	2
1.51 to 2.5%	29	0	2	27	0
2.51 to 3%	12	0	1	8	3
3+%	38	0	0	6	32
<b>Total</b>	<b>262</b>	<b>53</b>	<b>63</b>	<b>109</b>	<b>37</b>

	Total Schools	Option A		
		Total	Avg. per school	Avg. per pupil
Small Schools	53	£85,874	£1,620	£16.36
Primary (<250)	63	£259,976	£4,127	£20.40
Primary (250+)	109	£2,328,420	£21,362	£51.07
Secondary	37	£6,118,639	£165,369	£153.08
<b>Total change</b>	<b>262</b>	<b>£8,792,908</b>	<b>£33,561</b>	<b>£84.91</b>

8.6.6 Small Primary schools - The reduction in the minimum per pupil funding rates and the area cost adjustment has no impact on any of the 53 schools, and therefore their budget share increase under option A remains the same as under option 1.

8.6.7 Primary schools < 250 pupils - The 3 schools in Crawley will see a reduction in their budget share. However, the remaining 60 schools will all see their budget share remain the same as in option 1.

8.6.8 Primary schools > 250 pupils - The 20 schools in Crawley and the 31 schools that benefit from the MpPFL in option 1 will all see a reduction in their budget share. However, the remaining 58 schools will all see their budget share remain the same as in option 1.

8.6.9 Secondary schools - The 6 schools in Crawley and the 15 schools that benefit from the MpPFL in option 1 will all see a reduction in their budget share. The remaining 16 schools are largely unaffected.

## 8.7 Option B – Transfer to High Needs block through reduced basic entitlement unit values

8.7.1 Primary schools – NFF Basic entitlement rate reduced by £76 to £2,670.99. Lump sum and all additional needs pupil led funding rates as per option 1.

8.7.2 Secondary schools – NFF Basic entitlement rates reduced by £76 to £3,786.65 for KS3 and £4,309.81 for KS4. Lump sum and all additional needs pupil led funding rates as per option 1.

8.7.3 Minimum per pupil levels of funding to be increased to £50 below NFF rate; £3,450 for primary schools and £4,750 for secondary schools. Crawley schools benefit from NFF area cost adjustment of 5.61%. [As for option 1]

8.7.4 The Minimum Funding Guarantee (MFG) has been set at 0.5%. [As per option 1]

8.7.5 A summary of the funding increases that each school will receive under this option, together with the average increase per school and per pupil by phase are set out in the tables below:

	Option B				
	Total	Small	Primary		Secondary
	Schools	Primary	<250	250+	
<b>0 to 0.5%</b>	174	53	61	59	1
<b>0.51 to 1.5%</b>	27	0	2	22	3
<b>1.51 to 2.5%</b>	21	0	0	11	10
<b>2.51 to 3%</b>	4	0	0	1	3
<b>3+%</b>	36	0	0	16	20
<b>Total</b>	<b>262</b>	<b>53</b>	<b>63</b>	<b>109</b>	<b>37</b>

	Total Schools	Option B		
		Total	Avg. per school	Avg. per pupil
<b>Small Schools</b>	53	£85,874	£1,620	£16.36
<b>Primary (&lt;250)</b>	63	£215,888	£3,427	£16.94
<b>Primary (250+)</b>	109	£2,359,265	£21,645	£51.75
<b>Secondary</b>	37	£6,109,831	£165,131	£152.86
<b>Total change</b>	<b>262</b>	<b>£8,770,856</b>	<b>£33,477</b>	<b>£84.70</b>

8.7.6 Small Primary schools - As all 53 are on the funding floor, the reduction in the basic entitlement funding is made good by the MFG calculation and therefore their budget share increase under option B remains the same as under option 1.

8.7.7 Primary schools < 250 pupils - The budget share for the 56 schools on the funding floor in option 1 remains the same. However, the remaining 7 schools will all see a reduction in their budget share with 5 of them ending up on the funding floor.

8.7.8 Primary schools < 250 pupils - The budget share for the 29 schools on the funding floor in option 1 remains the same. The budget share also remains the same for the 31 schools that benefit from the MpPFL. However, the remaining 49 schools will all see a reduction in their budget share with 30 of them ending up on the funding floor.

8.7.9 Secondary schools - The budget share for the 15 schools that benefit from the MpPFL in option 1 remains the same. However, the remaining 22 schools will all see a reduction in their budget share with 1 of them ending up on the funding floor.

## 8.8 Views Sought

8.8.1 Views are sought on the preferred options to be introduced in 2019/20. The mechanism to be used in 2020/21 will be subject to review during 2019/20 with fine-tuning of any proposals undertaken as necessary

8.8.2 A modelling tool is included in this consultation so that individual schools can see the impact of the various options at school level.

8.8.3 These figures are illustrative and for comparative purposes only. Final allocations will be dependent on the final funding allocation received from Government in December 2018 and updated pupil characteristic datasets.

**Question: What are your views on the various funding option models being proposed?**

9. De-delegated Funding (LA maintained primary and secondary schools)

9.1 Each year primary and secondary phase maintained schools representatives serving on the Schools Forum are required to make a decision about the de-delegation of funding for:

- Ethnic Minority and Traveller Advisory Service (EMTAS)
- Free school meal eligibility checking
- Schools in financial difficulty
- Release time for County Secretaries of teacher professional associations.

9.2 De-delegating funding means that the funding is pooled for the benefit of maintained schools to secure economies of scale; to sustain small services that may otherwise not be available; for services that could be more expensive for schools to buy/provide themselves.

De-delegation for maintained schools – What is it and why is it important?

9.3 Primary and secondary maintained school representatives on the West Sussex Schools Forum are required to agree annually whether to de-delegate funding to maintain specified services which are of benefit to maintained schools. De-delegation means that the funding for specified services delegated to all primary and secondary schools and academies is removed from LA maintained school budgets and managed centrally to provide services to those schools only.

**De-delegated services and funding per pupil 2018/19**

De-delegated Service	Primary	KS3	KS4	Total pooled budget
Ethnic Minority and Traveller Achievement Service (EMTAS)	£9.62*	£2.44	£2.44	£506,400
Free School Meal (FSM) Eligibility Checking Service	£0.45	£0.45	£0.45	£33,200
Schools in Financial Difficulty (SiFD)	£2.50	£2.50	£2.50	£282,900
Release time for County Secretaries of teacher professional associations	£1.10	£1.10	£1.10	£74,600

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*difference in EMTAS value per pupil reflects the amount of funding delegated to each phase according to historic deployment of the service. Other values are calculated pro-rata pupil numbers in each phase.*

9.4 There is no statutory requirement for West Sussex to provide these services to schools or academies. Demand for EMTAS and SiFD support is variable according to pupil need/admissions or individual school circumstances. It is therefore difficult to provide sustainable services through a service level agreement (SLA). De-delegation sustains the service for all maintained schools regardless of level of need and means that EMTAS/SiFD support can continue to be deployed on as needed. All of the services/pooled budgets affected are

reducing each year as a result of academy conversions but maintained schools can still benefit if funds are de-delegated.

9.5 The decision to de-delegate funding for maintained schools will be considered by the Schools Forum in December 2018 for the financial year 2019/20. Each of the services affected is described in more detail below to explain what is provided and the implications of de-delegation.

#### 9.6 Ethnic Minority and Traveller Advisory Service (EMTAS)

9.6.1 The Ethnic Minority and Traveller Advisory Service (EMTAS) comprises the advisory teams that support maintained schools in closing gaps in achievement, attendance and progress for black Asian minority ethnic (BAME) and Gypsy, Roma Traveller (GRT) pupil groups.

##### Aims of EMTAS

- To ensure that schools have an understanding of the barriers to learning for minority ethnic and bilingual pupils
- To support school staff in developing the skills and knowledge to meet the needs of these pupils.
- To ensure that schools and families have high expectations with regard to progression and achievement.

##### Core Offer

- EMTAS staff work with all maintained schools on a patch basis
- All maintained schools are offered an initial tracking and monitoring visit to identify pupils who may be at risk of underachievement.
- A programme of CPD and training (detailed below)

9.6.2 The major focus is on CPD, to allow school staff to develop the necessary knowledge and skills to meet the needs of their pupils. This is delivered through:

- network meetings
- Bespoke training packages developed to meet individual school/locality needs
- mentoring and coaching

9.6.3 In addition, the team offers a range of individualised support packages to enable schools to provide a proactive response to the needs of their pupils. The aim is to ensure timely and appropriate interventions

9.6.4 The implication of not de-delegating funding for EMTAS is that the service would cease to be provided. The service is not sustainable through an SLA because demand is variable since not all schools have BAME or GRT on roll and in order to cover costs the charge to schools wishing to buy back would be high. Due to the uncertainty in funding and the continuing increase in number of student's eligible for EMTAS support, we continue to deploy agency support staff speaking a greater variety of languages in order to be as responsive as possible to the needs of schools and pupils. There continues to be high numbers of unaccompanied asylum seeking children accommodated by the local authority and these numbers are expected to remain high. This will continue to put pressure on schools and the team can provide support for the integration of children that speak little or no English.

9.6.5 The number of EAL pupils continues to rise steadily each year and there is increased pressure to meet needs. 2018 school data showed that 10.49% of the

West Sussex school population was identified as being bilingual and over 160 different language varieties being spoken. There has been a significant rise in numbers of bilingual and ethnic minority pupils over the last 12 years and this trend is predicted to continue.

	<b>Jan-06</b>	<b>Jan-16</b>	<b>Jan-17</b>	<b>Jan-18</b>
% of school population EAL	4.18%	10.18%	10.47%	10.49%
% of school population identified as BAME	8.66%	17.03%	17.95%	18.40%
	<b>Jan-06</b>	<b>Jan-16</b>	<b>Jan-17</b>	<b>Jan-18</b>
% of WS schools with at least 1 EAL pupil on roll	81.69%	91.26%	92.28%	93.68%
% of WS schools with at least 1 BAME pupil on roll	97.63%	97.90%	99.30%	100.00%

The number of pupils being identified as Gypsy, Roma Traveller has also increased in the same time period.

	<b>Jan-06</b>	<b>Jan-16</b>	<b>Jan-17</b>	<b>Jan-18</b>
% of school population identified as GRT	0.25%	0.39%	0.44%	0.45%
Number of school population identified as GRT	264	429	488	505

However, as a result of academy conversions EMTAS staffing has reduced by over 30% since 2012 because of the decrease in de-delegated funding.

9.6.6 Further reductions in team size in the next financial year will result in a less flexible service. This is particularly likely to impact on those schools with families /pupils with a high level of social or other needs, where Liaison Officers have had significant input and those that experience an increase in number of speakers of a 'new' language.

9.6.7 It is recommended that all maintained schools support the de-delegation of EMTAS for 2019/20.

## 9.7 Free School Meals (FSM) Eligibility Checking

9.7.1 The specific advantages of de-delegating funding for FSM eligibility checking are:

Dedicated skilled team with up to date knowledge of benefits and ability to deal effectively with queries from parents about entitlement

- Access to the national Eligibility Checking Service database
- Resources to perform regular reviews to ensure on-going entitlement and correct funding for the provision of free school meals and Pupil Premium Grant (PPG).

- Maximise PPG
- Consistent approach
- Saves schools time
- Provides timely reports to support completion of the School Census
- An on-line FSM eligibility application system is available through the WSCC website to enable parents to apply directly for an eligibility check. Parents and schools are notified of the outcome of the check
- It would be possible to provide an SLA for FSM eligibility checking for maintained schools but the charge is likely to be higher than the funding delegated per pupil to reflect additional costs of administration and to ensure full recovery of costs including additional overheads and potential loss of economy of scale.

9.7.2 The potential implications if funding is not de-delegated or schools do not buy the service through an SLA are that the FSM checking service will not be financially viable and may cease to be provided. Schools would be responsible for collecting and copying evidence from parents of the receipt of the specified benefits, and conducting timely reviews to verify continuing eligibility. This work would create an additional administrative burden for school bursars and support staff. Since the information is used to allocate public money, the evidence would need to be retained for audit purposes in periodic reviews of the proper control of school funding.

## 9.8 Schools in Financial Difficulty (SiFD)

9.8.1 Historically the purpose of pooling this funding by de-delegating it has been to support maintained schools in maintaining and improving standards when addressing financial difficulty arising with unexpected in-year cost pressures to include:

- i) Support for schools in maintaining and improving standards when addressing financial difficulty arising from exceptional cost pressures e.g. senior staff sickness, or significant levels of long term staff sickness that would otherwise affect school standards, volatility in pupil numbers etc.
- ii) Support for schools undergoing reorganisation through change of character such as age of transfer, e.g. funding towards additional temporary governing body expenditure, staff training, release time for designated headteachers in setting up new school, protected salaries.

9.8.2 However, this fund has been under used over the last couple of years and therefore at its meeting in October 2018, Schools Forum agreed to refocus the fund so that it would be open to:

- a) Schools who have an agreed plan to recover from a deficit budget.
  - The headteacher who seeks to develop school leadership. This is not for AIB school-to-school support, but more likely



- short-term training for new leaders or a curriculum development time. Such as, it could be to access the NPQSL or NPQML.
    - The headteacher seeks to broaden the curriculum to meet inspection demands and, more than likely, training is needed to support this.
    - An unusual and unexpected situation has occurred that puts the school again in financial difficulties. This situation should be short-term and a one-off event (such as a large number of staff illnesses)
- b) School leaders who have planned a budget and a three year budget plan but who have budgets that do not allow for significant one-off costs (not in deficit).
  - An unusual and unexpected situation has occurred that puts the school in financial difficulties. This situation should be short-term and a one-off event.
  - New headteachers in their first year at the school who need quick development of leaders, governors or teachers, but who have inherited a budget with little margins for staff development.
- c) Schools who have moved to or are within about a year of moving to federations or mergers and who have budgets that do not allow for significant short-term additional costs or staff training through this period of change.
  - Headteachers moving from managing one school to working across two or more schools.
  - In the year before and after federation or merger, the fund could also be used to develop leadership teams and curriculum across the federation.
  - During the year before and after federation or merger, training for a teacher to take responsibilities across more than one school.
  - A one-off event for teachers to work together for the first-time.

Current eligibility criteria for the allocation of funding to maintained schools are:

- schools with carry forward balances and accumulating fund reserves of less than 3% of the previous year's school budget share, and
- the exceptional expenditure is normally greater than 2% of total funding available to the school in the year.

9.8.3 The above criteria are applied to assess initial eligibility. Each maintained school's financial circumstances are assessed through a visit by a School Resource Manager before any additional funding is assigned. Allocations from SiFD are one-off and depending on the cause of the financial pressure, schools may need to make changes to future budget plans to ensure that they can meet any on-going impact. Requests from maintained schools for SiFD funding, its use and impact are evaluated by the Area Education Advisors from the Education and Skills School Effectiveness Team. A summary of allocations is reported to the Resources, School Organisation, Capital and Admissions (RSOCA) Sub Group and the Schools Forum each year.

9.8.4 The potential implications of not de-delegating funding for schools in financial difficulty are that there will be no contingency funding for maintained schools that get into financial deficit because of exceptional expenditure. Schools are facing increased financial pressures because of the low level of funding in West Sussex and because funding is cash frozen and costs are increasing. Deficits cannot be written off and any maintained school affected would be required to seek LA formal approval to a recovery plan to reduce expenditure within a fixed timescale. There would also be loss of flexibility to support maintained schools, particularly small schools affected by NFF changes and schools undergoing change of character as a result of school reorganisation.

9.9 Supply cover costs (facilities time) for release of County Secretaries of teacher professional associations

9.9.1 As employer, the LA has funded supply cover to release teachers serving as County Secretaries to professional associations from timetable to represent West Sussex teaching staff affected by pay, redundancy, disciplinary and grievance issues, or school reorganisation, or elected to national office with professional associations. This arrangement is to the benefit of all maintained schools and their teaching staff because the County Secretaries make a valuable contribution to resolving employee relations issues before positions become entrenched and resolution becomes more difficult and costly. De-delegation creates a pooled budget for supply cover to release County Secretaries employed in LA maintained schools.

9.9.2 County Secretaries have offered academies a Service Level Agreement to access their support and some individual academies have purchased it.

9.9.3 If delegated funding is not recovered from LA maintained schools the cost of reasonable release from timetable will fall to individual schools that employ teachers who are locally elected County Secretaries or national representatives of professional associations; this could have potential disproportionate cost impact on schools employing teachers undertaking these roles. Furthermore, there may be an impact on the level of professional association support for teaching staff.

9.10 School Improvement Services

9.10.1 In 2018/19 the DfE DSG Operational Guidance split out school improvement services from the General Duties ESG (see section 10 below), and added it to the list of services which could be de-delegated. The charge set by the LA in 2018/19 was £9 per pupil, and this was set after allowing for the funding that the LA receives through the School Improvement Monitoring and Brokering Grant (SIMBG) to help pay for its statutory invention functions. This funding de-delegated from schools represents about 35% of the school effectiveness budget at present.

9.10.2 If delegated funding is not recovered from LA maintained schools the School Effectiveness Service would need to see a reduction in at least 6 FTE link advisers and/or AEAs. In addition, the remaining core team would be unable to work to the levels school leaders in the recent consultation required, particularly with schools that are good or better. When the local authority chose to reduce its support to schools previously, both Key Stage 1 and 2 results significantly declined. Therefore any funding reduction would mean that council targets for the number of children and schools that are at least good would be placed in jeopardy. The other mechanism to recover costs would be to charge schools

directly for the service that they receive, but it is often those schools that have limited resources that produce standards that are not so good.

## 9.11 De-delegation – Conclusion

9.11.1 It is proposed that the delegated charges to schools be increased in line with the annual increases to schools service level agreements i.e. the RPI rate in September 2018 of 3.3%. The new rates will therefore be as follows:

**De-delegated services and proposed funding rates per pupil 2019/20**

<b>De-delegated Service</b>	<b>Primary</b>	<b>KS3</b>	<b>KS4</b>
Ethnic Minority and Traveller Achievement Service (EMTAS)	£9.94	£2.52	£2.52
Free School Meal (FSM) Eligibility Checking Service	£0.46	£0.46	£0.46
Schools in Financial Difficulty (SiFD)	£2.58	£2.58	£2.58
Release time for County Secretaries of teacher professional associations	£1.14	£1.14	£1.14
School Improvement Services	£9.30	£9.30	£9.30

9.11.2 Maintained primary and secondary school phase representatives (headteachers and governors) on the Schools Forum will be asked to make separate decisions for each area of expenditure for each phase at the meeting in December 2018 about the recovery of funding from maintained schools for under achieving ethnic minority pupils, FSM eligibility, schools in financial difficulty, supply cover to release County Secretaries of teacher professional associations and school improvement. These decisions will affect all maintained schools in each separate phase.

9.11.3 West Sussex LA strongly recommends that maintained schools support the de-delegation of the funding for the specific expenditure cited.

**Question: Should maintained primary and secondary phase Schools Forum representatives agree to de-delegate funding for the Ethnic Minority and Traveller Advisory Service (EMTAS)?**

**Question: Should maintained primary and secondary phase Schools Forum representatives agree to de-delegate funding for the free school meal eligibility checking service?**

**Question: Should maintained primary and secondary phase Schools Forum representatives agree to de-delegate funding for schools in financial difficulty?**

**Question: Should maintained primary and secondary phase Schools Forum representatives agree to de-delegate funding for supply cover to release County Secretaries of teacher professional associations for the benefit of all maintained schools?**

**Question: Should maintained primary and secondary phase Schools Forum representatives agree to de-delegate funding for school improvement for the benefit of all maintained schools?**

10. General Duties Education Services Grant (ESG) (maintained primary, secondary and special schools and APC)

10.1 General Duties Education Services Grant (ESG) is former grant funding that local authorities used to receive from the government prior to September 2017 for specified local authority statutory functions for its maintained schools such as:

- employer e.g. model employment policies for teaching and support staff, provision of information to Her Majesty's Revenue and Customs (HMRC) and pensions bodies and as compensatory body for staff redundancy/dismissals,
- landlord – sufficiency and condition of buildings,
- accountable body for finance and proper control of funding delegated to schools,
- education welfare in relation to promoting attendance,
- school improvement monitoring and intervention.

Maintained schools have access to all relevant services as required.

10.4 Most of the statutory functions funded through the former General Duties ESG transfer to individual converter academies or to Multi-Academy Trusts (MATs) sponsoring academies. MATs recover General Duties ESG and overhead and other running costs for their services through a charge to individual academies, normally between 3 and 6% of total budget.

10.5 National school funding regulations allow the LA to charge the General Duties ESG to maintained schools subject to consultation. Currently the approved General Duties ESG charge in 2018/19 is £23 per pupil. It is proposed that this charge be increased in line with the annual increases to schools service level agreements i.e. the RPI rate in September 2018 of 3.3%. This will see the charge rise to £23.75 in 2019/20.

10.7 The consultation responses from maintained primary, secondary and special schools and the Alternative Provision College will be taken into account in a decision by the Schools Forum in December 2018 about the charge for General Duties ESG in 2019/20.

**Question: What are your views about the proposed General Duties ESG charge of £23.75 per pupil in 2019/20 to all maintained primary, secondary and special schools as well as the Alternative Provision College?**

How to respond to this consultation

It is important that mainstream schools and academies respond to the consultation proposals which could affect future funding.

Please respond by completing the consultation questions via 'Have Your Say' [School Funding Consultation 2019/20](#) by **23<sup>rd</sup> November 2018**.