



Education
Funding
Agency

Funding allocation pack 2013/14

**Guidance for special and alternative
provision academies**

February 2013

Funding Allocation Pack – Guidance Notes

Introduction

The purpose of your Funding Allocation Pack is to present the component parts of your academy's funding for 2013/14. The arrangements from April 2013 are the first steps towards the development of a national funding formula for schools. The development of simpler and more transparent local formulae from which large numbers of academy budgets can be readily and accurately calculated is a major improvement in our service to academies, and is a significant milestone in the programme of school funding reform. In parallel the simple Education Services Grant will give you a clearer basis for planning too. Although plans for the national funding formula are still being developed, the Government remains firmly committed to it and to the establishment of a fair and transparent funding system. This Allocation Pack is one of the important steps on the way.

Sue Baldwin's letter to academy principals of 6 September set out the process to be followed in the development and publication of new funding arrangements for academies. During the autumn the EFA delivered over 30 briefing events for academies which were attended by some 2,000 academies staff. There were also four specialist High Needs briefing sessions which were equally well attended.

With your High Needs place numbers confirmed to us by your Local Authority we can now issue you with your current calculation for 2013/14. Your Funding Allocation Pack includes your AY2013/14 General Annual Grant Statement, a line-by-line explanation of how your statement has been calculated and a link to the Frequently Asked Questions, October briefing slides and funding presentations. We have made every effort to ensure this Pack is clear and gives you all the information that you need about how your allocation is calculated. As this is the first year of the new system we are always looking to improve and would welcome your comments.

Looking ahead to 2014-15, the Department for Education is seeking views on what changes may need to be made to the formula factors. A review of 2013-14 Funding Arrangements has been published at: <http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00221523/review-of-2013-14-school-funding-arrangements> and you may wish to comment on the proposals in it.

Contents

Your Funding Allocation Pack contains the following information:

- A General Annual Grant Statement 2013/14, made up of the following tables:
 - Table A High Needs block allocation 2013/14 (including hospital provision)
 - Table B Education Services Grant
 - Table C Start-Up Funding (Full Sponsored Academies only)
 - Table D Insurance Top Up
- Guidance Notes providing a detailed description of each element (this document).

A supporting set of Frequently Asked Questions, and a link through to a filmed version of the briefing material, is on our website at:

<http://www.education.gov.uk/aboutdfe/executiveagencies/efa/efafundingfinance/b00213953/academies-funding-2013-14/briefings->

There are some funding streams which are not included in your Statement at this stage. These are:

- High needs 'top-up' funding. This funding will have been agreed between you and commissioning local authorities (or other commissioners) and will be paid directly to you by your commissioners.
- Post-16 High Needs Funding. If your academy has post-16 High Needs provision, you will already have received a Student Number Statement detailing the volume of 16-19 activity being funded. You will be notified of the cash element separately and this will be included when we confirm your final allocation by the end of March 2013. The 16-19 Discretionary Bursary Fund allocations will be notified at the same time.
- Pupil Premium. Your Pupil Premium allocation is calculated and paid separately to your main allocation. We expect to notify you of your Pupil Premium allocation by early summer 2013.
- Devolved Formula Capital (DFC). DFC will still be payable in 2013/14. Further guidance is likely to be published in May.

AY2013/14 General Annual Grant Statement

This Statement summarises the elements that form your funding allocation with the exceptions mentioned in the Introduction. Please read the following notes alongside each of the tables that make up your allocation.

1. Table A - Pre-16 High Needs Funding

This table shows High Needs places within Special and Alternative Provision academies. Academies with High Needs funding will have been notified of the latest position on places in January. Finalised places will be funded at £10,000 per Special place and £8,000 for Alternative Provision places. The 'Top-Up' element will be paid by the commissioning local authority to meet the needs of each pupil and is not included in the allocation.

2. Table A - Post-16 High Needs Funding

This table shows post-16 pupils which attract High Needs place-plus funding within Special and Alternative Provision academies. The numbers used are the latest returned to us by your local authority for post-16. Final numbers will be confirmed in your final AY2013/14 allocation, which you will receive by the end of March.

As a transition measure for the period April-August 2013, post-16 places will be funded in the same way as pre-16 places (£10,000 on a pro rata basis for 5 months) to cover this period. In common with pre-16, if top up funding is required this will need to be met by the commissioning Local Authority.

The new arrangements for post-16 pupils will begin in September 2013. Your allocation from the EFA is based on your October 2012 census pupil numbers and the new standard national 16-19 funding per pupil formula (element 1). In addition you will receive £6,000 per place from the EFA for the number of places declared by local authorities (element 2). As with pre-16 the 'Top-Up' element (element 3) will be paid by the commissioning local authority to meet the needs of each pupil and is not included in the allocation.

3. Table A – Hospital provision funding

Local authorities will calculate the spend on each hospital setting for a given number of places. This table shows the funding we will pay. As part of this process, the numbers of places were confirmed with us by local authorities. For your Hospital education settings you will have worked with your maintaining local authority to agree the appropriate number of places to be funded in FY2013-14, drawing on evidence of past pupil trends and projections of future demand as appropriate.

For more information on High Needs Funding for 2013/14, see:

<http://www.education.gov.uk/aboutdfe/executiveagencies/efa/efafundingfinance/b00213953/academies-funding-2013-14/briefings->

4. Table B - Education Services Grant

From 2013-14, new funding arrangements for education services will apply for local authorities and academies. LA Block LACSEG for academies, and the corresponding element of local government revenue funding, will be replaced by the new Education Services Grant (ESG). The ESG will be allocated on a simple per-place basis to local authorities and academies according to the number of places for which they are responsible.

For 2013/14 each academy will receive £150 (£562.50 for Alternative Provision academies and £637.50 for Special academies) multiplied by the total number of 3-19 pupils from the October 2012 census pupil numbers or, if applicable, estimated pupil numbers. For Special and Alternative Provision academies the allocation will be based on planned places data as agreed with the DfE in January 2013.

In order to protect academies from significant year-on-year reductions in funding, the higher of two protections will apply. These are:

- a) a 10% per pupil protection applied to the published 2012/13 LA Block LACSEG rates for the local authority in which the academy is situated; and
- b) a 20% per pupil protection on the academy's individual 2012/13 LA Block LACSEG allocation.

For Special and Alternative Provision academies that opened before 1 April 2013, the existing 2012/13 LA Block LACSEG rate for the relevant local authority will continue to apply until the end of the 2012/13 academic year multiplied by their final 2012/13 places.

For Special and Alternative Provision academies that open after 1 April 2013, they will receive LA Block LACSEG calculated on the basis of the 2012/13 LA Block LACSEG rate for the relevant local authority until the end of 2012/13, multiplied by their planned annualised FY13-14 places.

More information is available at: <http://www.education.gov.uk/a00218881/new-education-services-grant-from-2013-14>

5. Table C - Start Up Grants

From April 2013, the Start Up Grant will have a single component SUG A - a flat rate allocation depending on phase and forms of entry

The Start Up Grant that was calculated before April 2013 will remain at the levels you were previously notified. Your 2013 allocation will be stated here in Table C.

6. Table D - Additional Insurance Funding

Instead of being required to submit a claim for the cost of their premium each year, all academies will receive per-pupil funding for insurance as part of their General Annual Grant (GAG):

- An additional top-up grant of £20 per pupil to reflect the fact that, on average, insurance premiums are higher for academies than they are for maintained schools.

To assist academies, the Department for Education has worked with the Crescent Purchasing Consortium (CPC) to provide a route to the insurance market which offers the best value. Many academies and multi-academy trusts have already been successful in bringing costs down through competition. More [information about CPC](#) can be found on their website.

We recognise that there may be a few academies in specific and exceptional circumstances that struggle to meet the costs of their insurance premium from their 2013/14 GAG. We want to ensure that these academies can cover the cost of their insurance and we are therefore offering them the opportunity to apply for additional funding to meet the costs of securing adequate insurance cover for 2013/14.

More information is available at:

<http://www.education.gov.uk/aboutdfe/executiveagencies/efa/efafundingfinance/b00212650/funding/insurance-premiums-13-14>



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