

**KEY PRINCIPLES UNDERPINNING THE REVIEW**

**The revised funding formula will reflect local demographic changes to Cambridgeshire’s population and will allocate funding to new or expanding schools.**

The funding formula will be informed by census data. The school data feeding in to the funding formula will be refreshed annually in line with the main schools funding formula, accounting for changes in demography on an annual basis. By refreshing the data on an annual basis, this will mitigate against significant movement in funding between schools which would be the likely result if the funding formula was refreshed less frequently. The annual refresh of data will provide an opportunity to implement change, where possible, in order to manage some of the emerging demographic pressures such as the emergence of proposed new free school capacity in Cambridgeshire in the most effective way.

**Changes implemented will be in line with likely changes to future national policy for Alternative Provision.**

It is anticipated that nationally, schools will be responsible for the budgets from which AP is funded. The Department for Education (DfE) proposed this on the basis it would provide schools with stronger incentives to take preventative approaches and to achieve value for money when identifying the best and most suitable alternative provision for any child that needs it. By maintaining devolved funding arrangements in Cambridgeshire, this is in line with expected changes to funding methodology nationally; local authorities will be expected to devolve funding to schools as per arrangements in Cambridgeshire. Whilst we do not know the timing of implementation nationally, we would have a system in place that could be adjusted locally to meet changes to DfE policy. Any requirement to implement a national or different funding formula for devolution may require a further review of the funding formula. However it is anticipated that there would be a transition period within which local adjustments can be implemented.

**Schools will be asked to report on how their devolved funding is spent**, and this will be considered alongside outcomes data. This will be requested from each individual school once a year in September for the previous academic year.

**There will be a Service Level Agreement (SLA) with each school in order to receive their devolved funding.**

An agreement for the funding is held between each school and the LA. The agreement will be signed by the respective Head Teacher, Chair of Governors and Accounting Officer of the Academy Trust. The SLA will be dated from 2018 – 2021, however, it will be refreshed by exception to take into account changes to national policy, and or personnel changes within schools (the key SLA signatories.)

**There will be two robust escalation processes in the Service Level Agreement.**

In the context of Ofsted’s increasing focus on ‘off-rolling’, the revised BAIP SLA sets out the consequences for any school that does not sign the SLA (does not receive their BAIP funding) or signs the agreement but does not adhere to it.

**Schools that decide not to sign the BAIP SLA.** The funding allocation for the school will be held centrally by the Local Authority. If a school that has not signed the BAIP SLA permanently excludes a student, this case will be referred to the Local Authority's Fair Access Panel where an alternative school will be identified within the BAIP, to place that student on their school roll. If the student requires AP, the funding held centrally by the Local Authority will be used to commission appropriate AP, informed by the Local Authority's Central AP Directory.

**A school has signed the SLA but excludes a student.**

A £70 per day 'Student Level Contribution' will be payable by the excluding school to the receiving school, pro-rata for remainder or the current school year.