Appendix C: GLOSSARY OF TERMS AND ABBREVIATIONS

ACADEMIES
An Academy is a school directly funded by Department for Education (specifically, the Education Funding Agency) and independent of direct control by local government in England. However local authorities are responsible for the funding formulae used to allocate funds among sections of education within an authority. Local authorities are also responsible for funding growth in numbers for pupils aged 5 to 16 years old in Academies. An Academy may receive additional support from personal or corporate sponsors, either financially or in kind, but must meet the same National Curriculum core subject requirements as other state schools and be subject to inspection by Ofsted.

ACADEMIC YEAR
The Academic year starts on the 1 September through to 31 August of the following year. Academies are funded by the Education funding Agency on academic years whereas maintained schools are funded on financial years.

ADDITIONAL EDUCATION NEEDS (AEN)
The funding for additional educational needs is allocated using a formula and should be used to meet the needs of children who need support that is additional to or different from the support provided for the majority of children by the class teacher. Under the new funding arrangements the Department for Education expect schools to fund up to £6,000 of additional support for children from their AEN budget. The majority of children receiving AEN support will not have a statement of special educational needs.

AGE WEIGHTED PUPIL UNIT (AWPU)
This is the factor used by Local Authorities to allocate funding to schools for 5 to 16 years olds. The actual amount is decided by each authority and it is allocated for every child attending the school on the census day. It accounts for nearly 80% of the funding received by schools in Waltham Forest.

ALTERNATIVE PROVISION
This refers to the provision of suitable education for pupils other than in a school or college setting. Local authorities are responsible for arranging suitable full-time education for permanently excluded pupils, and for other pupils who – because of illness or other reasons – would not receive suitable education without such provision. This applies to all children of compulsory school-age resident in the local authority, whether or not they are on the roll of a school, and whatever type of school they attend.

AREA COST ADJUSTMENT
The area cost adjustment (ACA) is designed to adjust for the differences between local authorities in the costs of inputs (such as staff) which they require to provide services.
The current ACA methodology reflects two kinds of cost difference between local authority areas):
differences in labour costs ie the relative differences in wages costs between areas as measured through the Office of National Statistics' (ONS's) Annual Survey of Hours and Earnings (the labour cost adjustment)
differences in business rates paid on local authority premises by reference to rateable values (the rates cost adjustment).

CENSUS
This is the physical head count of pupils on a particular, pre-assigned day in the year. For the Schools Block, this will be sometime in the October preceding the start of the next financial year. Funding for the Early Years Block is calculated using three census points held in January. The count is used to calculate the allocation of DSG funding for these two blocks to Local Authorities.

DE-DELEGATION
For maintained schools only, Schools Forum may opt to retain certain central services where the funding had been fully delegated to schools and academies. This includes central contingency, occupational health and trade union facility time.

DEDICATED SCHOOLS GRANT
This is a ring fenced grant from the DFE to Local Authorities for the Education of children and young adults up to the age of 25.

DEPARTMENT FOR EDUCATION (DFE)
The Government Department responsible for policy and funding the education of all pupils from the age of 2 to 25 years old (if they are in continuous education) in England.

EARLY YEARS BLOCK
This is one of the three elements of funding within the DSG. This relates to 2, 3 and 4 year olds. It is broadly based on census numbers multiplied by the Early Years Guaranteed Unit of Funding for 3 and 4 year olds.2 year old funding is based on actual headcount in January.

EDUCATION FUNDING AGENCY (EFA)
This is an agency of the DFE that is responsible for the allocation and distribution of the DSG and Post 16 funding for education institutions including academies.

ELEMENTS 1, 2 AND 3
This refers to the funding stands within the high needs block. For mainstream schools, Element 1 is deemed to be AWPU and Element 2 is £6,000 from the schools notional SEN. Element 3 is top up funding that is the liability of the commissioning local authority. For specialist settings Elements 1 and 2 are combined and are referred to as place led funding and is £10,000.

EDUCATION SERVICES GRANT
This is a general grant received by local authorities to fund educational services and statutory duties provided by the Council. It is calculated on the number of pupils in maintained settings.
Academies receive this as an additional grant to cover the cost of education services that the local authority provides to its maintained schools but which academies are free to procure independently.

ENGLISH AS AN ADDITIONAL LANGUAGE (EAL)
EAL is one of the thirteen local factors allowed by the DFE within local funding formulas. It is limited to the first three years only after the pupil enters the compulsory school system. The DFE believe that 3 years of additional funding should provide enough time to support a pupil with EAL.

FREE EARLY EDUCATION ENTITLEMENT (FEEE)
All children are entitled to a free early education place starting the term after their third birthday. The entitlement is for up to 15 hours per week, 38 weeks a year. This equates to 570 hours per annum. Parents have a choice of the type of childcare their children can attend in order to receive their free entitlement. They are as follows: -Private Day Nursery (some are based in Children's Centres), Pre-School/Playgroup or Independent Schools, OFSTED registered child minders, and maintained nursery Units in a school or a maintained nursery school

FREE SCHOOL MEALS
Where a parent is entitled to Working Tax Credit, their children are entitled to free school lunches. Children who receive a qualifying benefit in their own right are also eligible to receive free school meals. This data is also used to calculate Pupil Premium allocations to local authorities.

GROWTH FUND
The local authority may make an allocation from the Schools' Growth Fund in respect of expenditure for the education of the additional pupils, who have joined the school after beginning of the autumn term during the financial year provided that

- without this expenditure the education of these pupils would be seriously impaired and
- because of both the size and unexpectedness of the expenditure, it would be unreasonable to expect the governing body to meet these costs from the school's budget share.

GUARANTEED UNIT OF FUNDING (GUF)
Up to 2014-15 the DFE used spend-plus to determine a Guaranteed Unit of Funding (GUF) for every local authority for each year of the funding settlement. The GUF is the amount the authority knows it will receive for each of its pupils. As the GUFs are based on previous spending levels, which will have reflected previous allocations, differences will roughly reflect the level of educational disadvantage in each area, area costs, and sparcity (i.e. the fact that very small rural primary schools are more expensive to run).From 2015-16, the GUF is split into Schools Block Unit of Funding and an Early Years Block Unit of Funding.

HIGH NEEDS BLOCK

This is the notional spending block for high needs pupils. It is cash limited using spending from 2012-13 as the baseline. It is not based on census count and uses the concept of place led funding. There is no precise definition of a high needs pupil or a high needs student, but by this we mean those pupils or students who require provision that would not normally be available in mainstream settings within the delegated resources of a mainstream school, and who would require additional targeted resources in order to meet their needs in a mainstream setting, or placement in a specialist setting. The DFE have defined this as support that costs more than £6,000 per pupil.

INCOME DEPRIVATION AFFECTING CHILDREN INDEX (IDACI)
The IDACI is calculated by the DFE and measures in a local area the proportion of children under the age of 16 that live in low income households. The local areas for which the index is calculated are super output areas. It is supplementary to the Indices of Multiple Deprivation and is used for calculation of the contextual value added score, measuring children's educational progress.

INDIVIDUALLY ASSIGNED RESOURCES (IAR)
This refers to the resources provided to low cost, high incidence pupils in mainstream schools and academies. These children are eligible for additional support funding of more than £6,000.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)
From the 1 April 2010 the rules governing the production of the Council's external financial reporting are changing. Local Authorities across the country are required to adopt a new code of practice based on an internationally agreed set of financial rules. These are commonly referred to as International Financial Reporting Standards (IFRS). These standards dictate a greater level of analysis and disclosure than previous requirements and will allow the readers of the accounts to gain a much clearer understanding of the Council's financial position and activities.

KEY STAGE 1
The legal term for the two years of schooling in maintained schools in England and Wales normally known as Year 1 and Year 2, when pupils are aged between 5 and 7.

KEY STAGE 2
The legal term for the four years of schooling in maintained schools in England and Wales normally known as Year 3, Year 4, Year 5 and Year 6, when pupils are aged between 7 and 11.

KEY STAGE 3
The legal term for the three years of schooling in maintained schools in England and Wales normally known as Year 7, Year 8 and Year 9, when pupils are aged between 11 and 14.

KEY STAGE 4
The legal term for the two years of school education which incorporate GCSEs, and other exams, in maintained schools in England, Wales, and Northern Ireland—normally known as Year 10 and Year 11 in England and Wales, and Year 11 and Year 12 in Northern Ireland, when pupils are aged between 14 and 16.

LOCAL AUTHORITY CENTRAL SPEND EQUIVALENT GRANT (LACSEG)
This is additional money to cover the cost of education services that the local authority provides to its maintained schools but which academies are free to secure independently. This is now replaced by the Education Services Grant from 2013-14.

LOCAL FUNDING FORMULA
These are the factors that are applied to DSG funding to allocate resources to schools and early year's settings. The DFE sets 13 factors that can be used for 5 to 16 year olds. LAs are allowed to set the factors for allocating funding to settings for 2, 3 and 4 year olds.

MINIMUM FUNDING GUARANTEE (MFG)
This is a guarantee that funding will not fall more than -1.5 per cent per pupil in 2014-1 and 2015-16. This guarantee has been issued by the DFE to address the concerns that some schools and authorities have raised about a potential 'cliff-edge' in funding .The DFE are unable to confirm the exact value of the MFG beyond 2015-16.

NATIONAL NON-DOMESTIC RATES (NNDR)
More commonly known as 'business rates', these are collected by billing authorities, though from 1st April 1990 the poundage level has been set by the Treasury. Amounts payable are based on rateable values. Total collections are now retained by the local authorities under the Local Business Rates retention scheme in introduced from 2013-14.

NOTIONAL SEN

This is what Local Authorities are required to identify the particular amount of funding a school receives to provide support for pupils with SEN.

NUMBERS ON ROLL (NOR)
The number of pupils in a school is called the Number on Roll (NOR). Numbers will vary as pupils leave and join schools.

OFSTED
The Office for Standards in Education, Children's Services and Skills (OFSTED) is the non-ministerial government department of Her Majesty's Chief Inspector of Schools in England (HMCI). The services Ofsted inspects or regulates include: local authority services, child-minding, child day care, children's centres, children's social care, CAFCASS, state schools, independent schools and teacher training providers, and colleges and learning and skills providers in England. It also monitors the work of the Independent Schools Inspectorate**.** It also has powers to inspect academies.

POOLING
Pooling relates to the funding deducted from maintained schools' Budget Shares to fund specific services that individual schools have agreed to buy back collectively from the local authority.

PUPIL PREMIUM GRANT
In addition to the DSG, from September 2011 schools also receive a Pupil Premium. This is based on Free School Meals (FSM) eligibility data as at January 2011 and at any time in the last six years. This is ring-fenced grant payable to schools in the same way as DSG.

PUPIL REFFERAL UNIT (PRU)
Pupil Referral Unit (Pupil Re-integration Unit in some LAs) is a centre for children who are not able to attend a mainstream or special school. Each local authority has a duty to make arrangements for the provision of education in or out of school for all children of compulsory school age. If children are not receiving suitable education for any period for reasons such as illness or exclusion from school, these arrangements can be made through Pupil Referral Units - which are a mixture of public units and privately managed companies.

SCHOOLS BLOCK

This the funding stream within the DSG that funds 5 to 16 year olds. Some central functions are allowed to be retained centrally from the schools block. This includes admissions and the Carbon Reduction Commitment and for 2013-14 only Revenue Contributions to Capital and Termination Costs

SPECIAL EDUCATION NEEDS (SEN)

The term 'special educational needs' (SEN) has a legal definition, referring to children who have learning difficulties or disabilities that make it harder for them to learn or access education than most children of the same age.

Top-Up Funding

The term refers to Element 3 of the High Needs Block. It is the liability of the commissioning Local authority in all settings with students and pupils with SEN including post 16 settings.