



## **CHANGES TO SPECIAL SCHOOL FUNDING FORMULA**

### **Purpose of the Report**

1. To inform the Schools Forum of the outcome of a working group and consultations with special school headteachers which has reshaped the special schools funding formula.
2. To approve the proposed revised special schools funding formula for the 2014-15 financial year

### **Information and advice**

3. Changes to funding arrangements for mainstream schools which came into operation on 1 April, 2013 were mirrored by changes to funding for special schools. In anticipation of these changes, representatives from the County's special schools were consulted on alternative models for determining special school budgets, but agreement could not be reached in time for the financial year 2013-14.
4. A paper was taken to Schools Forum on 6 February, 2013 recommending that the special school budget for 2013-14 be kept unchanged from the 2012-13 budget, and that the LA conduct a detailed review of the special school funding budget in readiness for the 2014-15 budget.
5. A working group comprising special school headteachers and LA officers was established to review the existing arrangements, including the use of descriptors of need, and to match these to the High Needs banding framework which was part of the national SEN funding reforms.
6. The working group reviewed the descriptors of need which had hitherto been used to determine levels of pupil-led funding, and proposed replacing these with an alternative matrix which more closely matched the descriptors of need used to moderate Additional Family Needs (AFN)/High Level Needs (HLN) funding. Representatives from all of the County's special schools were consulted on these changes, and agreed to trial their use during the first few weeks of the autumn term, 2013.
7. At a special school headteachers meeting on 11 October, 2013 agreement was reached regarding a final version of the descriptors of need (See appendix 1), and of the relative financial weighting of each of five High Needs bands.

8. On 6 December, 2013 all the special schools were involved in a moderation event which:
  - matched the entire population of special school pupils to the revised High Needs bandings;
  - reached agreement on the application of school setting factors to take account of the additional financial demands of operating a school on split site, of staffing a small school, and of staffing 'satellite' provision; and
  - reached agreement on the data which the LA would use to commission numbers of places for each special school, with the total number of commissioned places remaining the same as for 2013-14, at 903.
  
9. Further agreement was reached on aspects of the funding process, including:
  - If there is pupil movement between Nottinghamshire special schools during the year, top-up funding will transfer with the pupil from one month after the date of the transfer, and until the end of the financial year in which the transfer takes place.
  - that no central contingency will be retained by the LA to provide in-year additional funding where it is agreed that a pupil's needs have changed and that their needs are better matched to a higher banding. The expectation is that a school would be required to continue to meet the child's needs from within their existing budget.
  - That the Education, Health & Care (EHC) plan process will determine what is the best match of a child's identified needs to the high needs bandings prior to the child joining the school's roll. Usually it is expected that an EHC Plan will be in place prior to the admission to a special school.
  - That where a school has vacant commissioned places, a pupil will be admitted without any top-up funding; where the placement takes the school above its commissioned places, *and* where the only alternative would have been placing the child in another local authority or out-country placement, funds will be vired from the LA out-county budget to provide the full cost of the placement until the end of the financial year in which the transfer takes place.
  
10. Half-termly admission planning meetings will take place in each school with the school's link EHC coordinator and link Senior Educational Psychologist (Senior EP). This will be the forum for:
  - confirming the names and numbers of pupils on roll at that date – the EHC coordinator will bring that information back to County Hall, and the information will be used each year to inform future place commissioning
  - considering any proposed changes to a pupil's high needs banding. If the EHC coordinator and link Senior EP are satisfied that there is evidence to justify any proposed change to the high needs matching, this can be agreed; if necessary, the case will be shared with another special school headteacher for further moderation before a decision is reached.
  
11. On an annual basis, all special school headteachers will meet to moderate any changes to pupil high needs bandings which have occurred during the preceding year. The data from this meeting, together with data on pupil numbers over the year will be used to set the following years budget.

12. The calculation used to determine the split of the total special school budget for 2014-15 was made as follows:

- the total quantum available for special schools in 2014-15 has been maintained at the historical level of £18,823,804.
- schools were allocated £10,000 per commissioned place (total = £9,030,000)
- setting factors were applied (total = £142,800)
- the residual of the special schools budget was divided by the number of weighted places (1350) currently being filled across all of the County's special schools, producing a unit value for HN1
- the top-up share for each school was calculated, with a 1.5% minimum funding guarantee (MFG) applied.
- The shortfall created by the application of the MFG required a recalculation of the unit value of HN1, which itself created a de facto gains cap of 1.55%. The unit value on HN1 is £7,144
- the budget for each special school was then determined, details of which are attached in appendix 2.

## **Recommendation**

### **That the Schools Forum:**

Approves the recommended changes to the special schools funding formula, and the revised processes by which future funding decisions affecting special schools are made.

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