

UPDATE TO THE SPECIAL SCHOOL FUNDING FORMULA

Purpose of the Report

1. To inform the Schools Forum of the final budget figures for the County's special schools, of the rationale behind these figures, and of 'next steps' to be taken with the soft federation of special schools.

Background

2. A paper was taken to Schools Forum on 6 February, 2014 seeking approval for recommended changes to the special schools funding formula, and for the revised processes by which future funding decisions affecting special schools were to be made.
3. Whilst this approval was given, Schools Forum noted that the implementation of these changes resulted in a significant change to the proportion of the overall special schools budget allocated to each of the County's eleven special schools. At the time when Schools Forum considered the paper, the implications of the application of the national minimum funding guarantee on special schools budgets were not known, and it was determined that an update report be brought to Forum in June, 2014.

Information and Advice

4. The overall size of the special schools budget for 2013-14 was £18,806,087; the application of the revised funding formula to determine the budget share for each special school for 2014-15 used this same overall budget figure.
5. When the revised special school funding formula was applied, four of the County's special schools faced a reduction in their overall budget, and in three of these schools the budget reduction was significant.
6. Advice was sought from the Education Funding Agency (EFA) on the calculation of a 1.5% national Minimum Funding Guarantee (MFG) which would be applied to these proposed budget reductions. The effect of the MFG within the context of a fixed overall budget was that a de facto gains cap would have to be applied. The size of the budget 'gap' created by the implementation of the MFG was £1.1m.
7. Special school headteachers were consulted on the implications of a de facto gains cap being applied. For a number of the schools the effect would have been that their future

financial viability would have been tested, with a year on year reduction in their pupil capacity resulting in a year on year reduction in their budget.

8. The decision was made to implement in full the changes to the special schools' budgets arising from the revised funding formula without the application of a gains cap, whilst honouring the MFG. This required the virement of funds from elsewhere in the overall High Needs budget, including from surpluses arising from changes in the funding of post 16 provision for pupils accessing specialist provision which had been introduced in April 2013.
9. The financial consequence of this decision is a net increase in the overall special schools budget of £1.1m from £18,806,087 to £19,941,059. The table below shows how the individual school budgets have changed between from 2013-14 to 2014-15, and therefore where the £1.1m has been used. years.

<i>School</i>	2013-14 budget	2014-15 budget	Budget difference
Ash Lea	1,762,986	1,841,611	78,625
Beech Hill	1,216,475	1,198,227	18,248 (-)
Bracken Hill	1,714,150	2,191,594	477,444
Carlton Digby	1,308,633	1,402,278	93,645
Derrymount	1,079,777	1,348,762	268,985
Fountaindale	1,866,491	1,838,493	27,998 (-)
Foxwood	1,881,860	2,021,389	139,529
Orchard	1,827,599	1,893,530	65,931
Redgate	746,268	884,355	138,087
St.Giles	3,116,801	3,070,049	46,752 (-)
Yeoman Park	2,285,047	2,250,772	34,275 (-)
<i>Total</i>	<i>18,806,087</i>	<i>19,941,059</i>	<i>1,134,972</i>

Next steps

10. Special school headteachers meet on a half-termly basis as a soft federation. At the meeting in April, 2014 they agreed in principle to share budget information as a way for them to keep under review the operation of the revised funding formula. This process of sharing detailed budgetary information will begin at the next meeting of the soft federation on 27 June, 2014.
11. At the same meeting in April, 2014 LA officers agreed to meet with individual headteachers to provide support in future budget setting, and particularly with those headteachers whose schools have been most affected by the changes to the special schools funding formula. Dates for these meetings have been set.

RECOMMENDATION/S

That the Schools Forum:

- 1) approves the final budget figures for the special schools, and
- 2) notes the 'next steps' to be taken with the soft federation of special schools

Charles Savage
Acting Group Manager SEND Policy and Provision
T: 01159 773842
E: charles.savage@nottsscc.gov.uk

For any enquiries about this report please contact:
Charles Savage on 0115 9773842 or Alison Holloway on 0115 97774778