

**REPORT TO:** School Forum

**DATE:** 12<sup>th</sup> October 2015

**REPORTING OFFICER:** Operational Director – Education, Inclusion and Provision

**SUBJECT:** Review of Funding for Special Schools

## **1.0 PURPOSE OF REPORT**

- 1.1** To advise School Forum on the level of funding currently supporting special schools and to propose a review of top up levels to ensure that the funding is in line with the budget available.

## **2.0 RECOMMENDED: That**

- 2.1 School Forum acknowledge the current funding system is unsustainable; and**
- 2.2 Support the review of special schools top up funding so that future funding is in line with the resources available.**

## **3.0 BACKGROUND**

- 3.1** In April 2013 the funding for special schools was changed so that each school received a base sum of £10,000 for each of the estimated number of places and a top up rate for each pupil based on the real time movement of pupils. Two top of bands were agreed, with the intention that the higher rate would only be used in exceptional cases where a pupil required one to one support.
- 3.2** The national reforms were expected to be cost neutral, however, since the introduction of the new funding formula costs of provision have risen by £1.4 million, from £5.2 million in 2013/2014 to an estimated £6.6 million in 2015/2016. Although there has been additional sixth form provision at Ashley School this only accounts for approximately £268k.
- 3.3** There are a number of issues with the current banding system in Halton. These include the fact that the difference between Level 1 and Level 2 in the current banding system is too great and too many children and young people are currently funding at the higher funding band. Detailed below are the top up levels for Special Schools for 2015/2016 as presented to the March School Forum.

### Summary of Special School Top-up Funding 2

Ashley	CI	Level 1	£ 7,982.11
	CI	Level 2	£ 28,618.79
	LC	Level 1	£ 3,563.43
	LC	Level 2	£ 24,200.12
	BESD	Level 1	£ 5,722.88
	BESD	Level 2	£ 26,359.57
	SPN	Level 1	£ 6,702.83
	SPN	Level 2	£ 27,339.51
Chesnut Lodge	CI	Level 1	£ 7,590.65
	CI	Level 2	£ 28,227.33
	LC	Level 1	£ 2,403.69
	LC	Level 2	£ 24,025.37
	BESD	Level 1	£ 5,442.22
	BESD	Level 2	£ 26,078.91
	SPN	Level 1	£ 6,374.11
	SPN	Level 2	£ 27,010.80
Brookfields	CI	Level 1	£ 5,755.57
	CI	Level 2	£ 26,392.26
	LC	Level 1	£ 2,569.45
	LC	Level 2	£ 23,206.14
	BESD	Level 1	£ 4,126.54
	BESD	Level 2	£ 24,763.23
	SPN	Level 1	£ 4,833.14
	SPN	Level 2	£ 25,469.82
Cavendish	CI	Level 1	£ 8,650.89
	CI	Level 2	£ 29,287.58
	LC	Level 1	£ 3,862.01
	LC	Level 2	£ 24,498.69
	BESD	Level 1	£ 6,202.38
	BESD	Level 2	£ 26,839.06
	SPN	Level 1	£ 7,264.42
	SPN	Level 2	£ 27,901.11

- 3.4 As this increased level of funding is no longer sustainable the Local Authority now views it as essential that the level of top up funding for children with SEN in special schools should be reviewed. In reviewing the funding levels a key principle is that any banding should be directly related

to the level of need of the child i.e. the more complex needs would have a higher amount of top-up and less complex would attract a lower amount of top up funding.

3.5 The review will involve all four special schools, Local Authority Finance Officers and Officers from the Inclusion Department of the Local Authority. In conducting the review the following principles will be applied:

- There will be transparency for schools , LA Officers, parents and carers about the level of top up rate allocated to meet a child's needs;
- There will be a clear criteria for determining what the top up level should be related to the needs of the child;
- There should be equality and fairness in the system between schools;
- Although clear criteria will be established there will also be the opportunity for some flexibility;
- Taking into consideration the funding available for special schools, there is ownership of the system which results in a co-operative approach to the allocation of top up and not one which results in attempts to place every or more children in the highest possible band.

3.6 Any top up model will need to allow for a range of high cost factors such as hydrotherapy pools or the higher costs of small schools. It is also acknowledged that as changes are aimed at reducing the level of funding provided to special schools and ensuring it is more in line with the funding available that it is unlikely that this can be achieved within the Minimum Funding Guarantee for Special Schools. There is no intention to destabilise the special school funding however the current system is not affordable and to achieve the required level of savings and move to the new banding system the MFG may need to be set aside. Approval by the majority of special schools would be needed to do this as well as approval from the Education Funding Agency.