

Special Schools Conversation Document

September 2013

1. Introduction

- 1.1 In April 2013 the new “place plus” funding system was introduced as required by the DFE. Within Devon the broad intention for 13/14, as with mainstream SEN funding, was to ensure stability through maintaining the previous funding levels for schools, so as to provide time to assess how the new approach was working in practice and to better understand the implications of the DFE requirements.
- 1.2 This document is part of this process and has a number of objectives;
- To outline the updated DFE requirements,
 - To explain the review of the current top up values which needs to be undertaken to correct anomalies,
 - To explore how the administration of the new system is working and how it could be improved,
 - To outline the situation regarding specific issues such as residential and post 16 provision.
- 1.3 It needs to be recognised that the changes outlined in this document will have far reaching implications both for the planning at Authority and school level. Therefore all efforts need to be made by the Authority and by schools to ensure that the financial viability of Devon special schools is not undermined in the future. It is hoped that this document will bring out these issues and allow the discussion to take place as to how this can be best achieved.

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Funding for day places

2. Place Led Funding

Place Numbers

- 2.1 In 13/14 schools have received the base funding in April for the number of places agreed with the EFA – see Appendix A. However the DFE intend to change this approach so that in future the number of places funded in an academic year will “...usually be adjusted in accordance with the number of places in each institution that are filled, as determined by the school census.” This means that the place led funding will reflect the number on roll the previous October and will therefore automatically be adjusted retrospectively for places bought above the previous year’s level and for places that were unfilled.
- 2.2 This will not be introduced until the academic year 15/16 so for the financial year 14/15 and for the summer term 2015 the place numbers used will be the 13/14 pre and post 16 numbers. The EFA are saying that they will continue to discuss the details of this approach but based on current documentation the base funding will be determined as shown below:

Proposed system for future place funding:

	Summer Term	Autumn/Spring Terms
Financial Year 14/15	As per numbers agreed in 13/14 as starting point	
Financial Year 15/16	As per numbers agreed in 13/14	As per NOR in Autumn 2014
Financial Year 16/17	As per NOR in Autumn 2014	As per NOR in Autumn 2015

- 2.3 The implications of this change are serious and need to be planned for. It means that in under three years we will have moved from a system where schools received a guaranteed formula funded income (12/13) to a system where both the base funding and the top ups will be determined by Number on Roll. (15/16).**

Value of Place Funding

- 2.4 In 13/14 the value of a pre 16 place was £10,000 and for post 16 was higher but varied slightly for each school as the level was determined by the national funding formula.
- 2.5 In actuality for 13/14 as Devon was working on the basis of a 100% Minimum Funding Guarantee (MFG) the top up allocations are being adjusted to reflect this post 16 higher level.
- 2.6 The DFE is now proposing that all places should be funded at the £10,000 value.

Pre 16 and Post 16 Places

- 2.7 Under the new system we have to plan for specified numbers of pre and post 16 places.
- 2.8 It is intended that further work will be carried out to develop clear and consistent approaches to admissions to pre and post 16 planned places in special schools to ensure maximum occupancy across the year including the funding of additional places where necessary. Guidance about these arrangements will be provided later in the autumn term.

3. Top Up Funding

- 3.1 Unlike the base funding where the level and process is determined by the EFA, the level of top up funding is determined by the Commissioning Authority.
- 3.2 The constraints upon the Authority in setting and managing these top ups in 14/15 are as follows:
- Each top up funding rate must be maintained at no less than 98.5% of its 13/14 value so any reduction in funding per pupil is no greater than 1.5% as in mainstream. It is possible in certain circumstances to apply for an exemption to this requirement.
 - From the DFE perspective this protection only applies to places bought by Devon. However in the current year it was agreed with Other Local Authorities that they should use the Devon agreed rates for cross border placements and it is intended that this will continue for 14/15

- Payments should be made monthly unless another payment frequency is agreed with a particular school.
- 3.3 In 13/14 the intention was to ensure as much stability as possible in the funding for each school. Thus the values came directly out of the formula structure and were calculated so that as far as possible schools, if 100% full, would get back the same level of funding as in 12/13. In addition a safety net was provided so that, regardless of occupancy levels, funding broadly could not fall below the 12/13 level. In a small number of cases anomalies in the previous funding structure were identified and individual agreements were reached to reduce the level of the safety net for these schools.
- 3.4 The current value of the top ups for each school are shown in Appendix A. The values were derived from:
- The day place element of the formula for each school less the base funding of £10,000 per place and,
 - The other elements of the formula, some like management and transport allocations which applied to all schools and some like specialist school status and MFG which applied to certain schools only. Appendix B shows the underlying make up of this other element.
- 3.5 As can be seen from the Appendix the value of the top ups vary significantly between schools. There are three reasons for this:
- a) The relationship between the actual number of pupils in each band as at September 2012 and the number assumed in each band in the 12/13 formula.
 - b) The size of the school.
 - c) School specific funding allocations in the formula.

a) The impact of band discrepancies

3.6 As the aim was to give back to schools the same level of funding as in 12/13 where there was a difference between the assumptions on bandings in the formula and the actual bandings as reported by schools the day place element in the top ups was scaled up or down to reflect this. This means that the contribution to the top up for, say a Band 4 place, differs between schools. The decision was then made to combine bands 1, 2 and 3 into a lower band which, given the different complexity profiles of the schools, also created different top up rates.

b) The impact of size of school

3.7 The number of places contributed towards the difference in rates because lump sum elements in the old formula will convert to a higher top up value for smaller schools. For example all schools received a management lump sum of £99,346. For Pathfield with 122 places this

converts to £814 but for Oaklands Park with 55 places this converts to £1,806. The figure is so high for Marland because within the formula both the main school and the Springfield Court site receive the lump sum.

c) The impact of school specific allocations

3.8 Appendix B shows clearly how some schools have received specific allocations which have fed into their top up values.

Action that needs to be taken

3.9 The differences in the top up values arising from b) the size of the school are considered to be appropriate and do genuinely reflect the cost of different sized schools. However some of the differences arising from a) and c) need to be scrutinised.

3.10 As part of planning for 14/15 it is intended that the top up calculations should be rationalised so that, working within the minus 1.5% MFG protection each school's top up values should be analysed into:

- The core – which is seen to be consistent and equitable across all schools,
- The protected element which will be subject to future regulations regarding MFG.

3.11 Looking at a) ideally we need to revisit the calculation based on banding numbers and adjust to better reflect the actual position in each school. This will be done but whether a full correction can be made will depend on the overall cost of this and any other changes within the financial constraints of the High Needs Block. Hopefully we will be able to go part way to bringing this element of the values more into line.

3.12 With respect to c) Discussion needs to take place during the Autumn term as to which elements fall into each category. As with mainstream both carried forward MFG and the funding for specialist status should be seen as protected. There are then a number of allocations specific to a school which need to be checked as to their continuing relevance. It would be helpful to also look at the "Needs Led Protection" allocations as, because they are linked to the old formula it may be sensible to redistribute across place numbers.

3.13 These issues are linked to the development work which is being done on future band descriptors which is discussed later in this document. It is planned that meetings will be arranged with groups of schools to work through both issues.

4. Future of the Safety Net for Day Places

- 4.1 In the current year the safety net ensures that broadly no school will fall below its cash formula funding in 12/13 – this net has a separate day and residential element. An analysis has been done on day place occupancy and top up payments in the summer term which shows that it is unlikely that any of the schools with increased numbers will need the safety net. However those schools that maintained the same number look as if they will use the safety net as, although numbers are generally high, schools are not 100% full.
- 4.2 As discussed above the DFE is planning to change the system of base funding so that the number of places funded will be determined by the number on roll the previous October. **The policy here is clear – that special schools in future will need to manage their finances within a level of funding determined entirely by Number on Roll.**
- 4.3 Because of these changes by the financial year 15/16 it will not be financially sustainable to continue with a day place safety net and we need to move towards this position.
- 4.4 It is therefore proposed that in the financial year 14/15 there will still be a safety net but that the protection provided will be set at 50% of the gap between actual income and the level of 12/13 funding. This is the same percentage protection that is being proposed for mainstream schools following the change in their SEN funding systems. Note that the safety net will need to be adjusted to reflect any changes made under the allowable MFG reduction discussed above.

5. Post 16 Funding

- 5.1 It had been planned that we would work this year to bring the assessment of special school funding for post 16 places in line with the funding for all other institutions. This would mean moving from a banded system to a system based on the specific resource needs of individual pupils.
- 5.2 Because the DFE has extended the MFG protection for a further year this will not be possible as the funding per place is highly constrained.

6. Pupil Access Funding

- 6.1 As has been stated previously the system of providing additional personalised funding – sometimes referred to as level 5 funding - will be reviewed for 14/15. This is an important element of funding which should be used to further the Authority's disinvestment strategy through its support for individual pupils. However there are concerns surrounding the effectiveness of the way allocations are currently managed and to

what extent the outcomes are consistent and fair across all schools. It seems clear that we need to develop more robust procedures surrounding applications for additional resources and the development of appropriate criteria to support decision making.

- 6.2 For the remainder of 13/14 there will be no new allocations agreed and a termly check will be made to ensure that those in place are still appropriate.

7. Initial Band Assessment and Reassessment

- 7.1 Prior to consulting with a school for a placement, we will assess the provision required to meet the child's needs by using the generic banding descriptors (currently being developed). The consultation process will provide an opportunity for discussion between the school and the Authority should there be a difference of opinion about the banding level.
- 7.2 If following an annual review meeting, a school considers that a change of banding is required, this recommendation will need to be submitted to the Authority with supporting information (guidance to be provided on completion of work on banding descriptors) for consideration.

8. Funding of Part time placements

- 8.1 Where parents request split placement between a special school and mainstream school:

- Consider special school to be main base and mainstream school to be subsidiary as child will need to be dual registered
- Special school would receive full funding
- Special school to support attendance at mainstream school – as per current inclusion opportunity arrangements
- If costs of support for mainstream inclusion exceed funding that the special school would be expected to make available, school could apply for additional support from the Pupil Targeted Fund.
- Unlike the current situation Mainstream school would not receive any funding.

- 8.2 Early Years child attending on part time basis:

- A special school will receive full funding with the expectation that a child can attend on a full-time basis from the September following their 4th birthday if this is the parental preference (provides equity with admissions arrangements for mainstream schools)

- The child's placement at a special school 'counts' as part/all of their early years entitlement depending on whether their attendance totals less than or more than 15 hours/week. This will not affect the way in which a special school is funded.

9. Multi Agency Worker (MAW) and Outreach Funding

- 9.1 This additional funding for MAWs, provided over and above the top ups, is funded from outside of the Dedicated Schools grant (DSG). This will mean that the budgetary pressures in future years will be even greater here than for the main school funding. For this reason no guarantee can be provided that funding will continue after September 2014.
- 9.2 The £80,000 for Outreach services from special schools is no longer being automatically shared out between the schools. It is now being used to commission Outreach services from special schools through an agreement which will be evaluated annually. Those schools who wish to do Outreach will complete an agreement setting out their offer. The funding will then be shared between those schools. This means that every school entering into the agreement will receive at least the same amount as previously and possibly more depending on any schools not participating. This could change on an annual basis reflecting schools' individual circumstances. The LA is in the process of formalising the Outreach agreement with schools and this should be completed early in September. Schools will report back to the LA on outcomes at the end of each academic year.

10. Residential Funding

- 10.1 At the time of writing this report the Review of Residential Funding had not been completed. Updates will be provided following completion.

11. Underlying Descriptors

- 11.1 Work has started this year to draft updated descriptors of need for the lower and upper bands. The work will look at what individual needs would look like, what type of intervention would be provided and what the expected outcomes would be.
- 11.2 As said above it is planned that meetings will be arranged with groups of schools to work through the issues relating to the descriptors and the financial analysis of the top ups.

12. Administrative Systems surrounding Funding

12.1 Although in 13/14 there is a safety net we are running the new funding system so that top up funds are transferred to the school budgets on a monthly basis.

12.2 Centrally CSET and Finance need feedback from the schools on how this is working so systems can be improved where necessary. The main questions seem to be:

- Are the monthly transfers accurate?
- Are they simple to access and understand?
- Would any additional information be helpful?
- Any specific issues and any ideas as to how the system could be improved?

If you would like to contribute to this feedback please send your responses and wider ideas/issues you have regarding the new systems to John Peart at the latest by October 18th 2013.

12.3 There are two areas where some change is needed:

a) It has become clear that we need clarity surrounding the funding of year 11 and year 14 leavers so the following will be put in place:

- All pupils who are attending a school up to the end of the academic year will be funded until the end of August. This will include pupils who have left early straight after their exams.
- New pupils starting in the summer term, occupying a post 16 leaver space, will not be funded until the Autumn term.

b) The other issue relates to the funding provided when additional places are purchased over the planned number. This year it was agreed that if this happened then the schools would receive, in addition to the top up, 1/12 of the base £10,000 funding each month. However The EFA has recently made clear that this is not what they are expecting and have stated the following:

If a pupil is placed above the agreed place numbers in a school, this does not automatically mean that the cost of the pupil place value is £10,000 + top up as the agreed price should reflect the actual incremental cost to the school or academy. (14/15 Revenue Funding Arrangements 02/08/13)

In response to this it is proposed that where the planned number is exceeded the level of any additional base funding will be decided on a case by case basis.

13. New Delegations in 2013/14

- 13.1 As part of the Funding Reforms a number of new delegations were made into all school budgets. These were made up of a number of contingency budgets and the Inclusion and Behaviour Support Services. The actual detail for each school is attached as Appendix C. Please note that late on in the process the DFE decided that copyright would be managed centrally and this amount should have been excluded from the top ups. As many of the individual school meetings had already taken place it was decided that this adjustment would not be made in 2013/14. However the top up values for 14/15 will be adjusted.
- 13.2 Unlike mainstream schools it is not possible for special schools to de-delegate however it is possible for the schools to choose to pool their budgets so that they can be managed centrally. In 2013/14 the agreement was that schools would pool these budgets with the exception of Behaviour Support and it is planned that the appropriate transfer of funds back to the central budget will be made at the start of the Autumn term.
- 13.3 For 14/15 more thought needs to be given here as there may be changes within the way that mainstream dedelegation is managed which could impact upon special pooling/ buy back arrangements.

14. Recoupment of funding for placements made by other Local Authorities

- 14.1 The mandatory requirement for Authorities to recoup the cost of providing SEN provision cross border was removed from April 2013. This left Authorities and schools with a choice to either:
- Leave it up to individual schools to invoice the other Authority (OLA) on a monthly basis for the cost of their pupils or,
 - Continue to manage the process centrally on behalf of schools. Under this approach each school is funded for all their pupils directly by Devon and CSET and Finance are then responsible for invoicing the OLAs.
- 14.2 For 13/14 the second approach was taken as part of a protocol agreed with neighbouring Authorities covering both admissions and financial procedures. This protocol will need to reviewed and agreed again for 14/15.
- 14.3 It is planned for 14/15 that, unless schools wish to take on this responsibility, the centrally managed approach should continue.

APPENDIX A

2013/14 Special School Place Numbers and Top Up Values

	Ellen Tinkham	Southbrook	Mill Water	Barley Lane	Lampard	Pathfield	Oaklands Park	Bidwell Brook	Ratcliffe	Marland	Total
Number of places	131	110	100	54	100	122	55	90	80	67	909
Pre 16	105	110	88	54	100	96	48	70	80	67	818
Post 16	26		12			26	7	20			91
Total	131	110	100	54	100	122	55	90	80	67	909
Residential included in above							21		45	40	106
Top up values	£	£	£	£	£	£	£	£	£	£	
Lower	7,501	6,256	6,261	9,878	6,256	7,472	6,833	7,898	8,030	10,425	
Upper	11,539	9,898	11,310	13,204	9,898	11,921	10,974	12,583	12,191	13,588	
Residential Weekly							16,243		21,445		
Residential termly							68,554			36,262	

APPENDIX B

The make up of the Other element of the top up values based on the 12/13 formula

Note that place numbers used here are those used in the 12/13 formula funding.

	Ellen Tinkham	Southbrook	Mill Water	Barley Lane	Lampard	Pathfield	Oaklands Park	Bidwell Brook	Ratcliffe	Marland
Place nos 12/13	121	107	95	46	80	122	55	90	71	67
Per Place	£	£	£	£	£	£	£	£	£	£
<i>Leadership</i>	821	928	1,046	2,160	1,242	814	1,806	1,104	1,399	2,966
<i>Transport</i>	29	33	37	77	44	29	64	39	50	105
<i>2 Key Stages + 60 pupils +</i>	231	-	295	152	87	229	509	311	99	-
<i>Build Maintenance</i>	400	400	400	400	400	200	553	200	800	639
<i>Free Meals</i>	104	107	90	213	202	151	266	147	583	343
<i>Insurance</i>	15	22	11	56	55	36	48	67	60	44
<i>Rent</i>	-	-	-	-	-	7	-	-	-	-
<i>Rates</i>	-	-	-	-	-	14	-	-	-	-
<i>Split Site</i>	-	-	-	-	-	16	-	-	-	627
<i>Salary Safeguarding</i>	-	-	116	-	-	-	-	-	-	-
<i>Reorganisation</i>	-	-	158	-	-	-	-	-	-	-
<i>Specialist Status</i>	496	621	-	-	-	492	-	667	-	-
<i>Needs Led Protection</i>	368	224	403	450	358	372	97	337	-	80
<i>MFG</i>	4	4	1	2,382	12	13	3	17	-	-
Total	2,526	2,404	2,631	5,889	2,487	2,430	3,346	2,968	3,089	4,803

Appendix C

Detail of New Delegations included in Top Up calculations for 2013/14

Please note that there was a late decision made on the management of copyright which meant that this budget should not have been delegated. This will be corrected in the calculation of the 2014/15 top ups.

School	Planned Places	Exceptional events 1.1.2	School contingency 1.1.2	Policy & Strategy initiatives 1.1.2	Behaviour Support 1.3.2	Inclusion-EMA 1.4.1	Inclusion-GRTA 1.4.1	FSMs Eligibility 1.5.2	Copy rights 1.6.4	Trade Union Representation 1.6.7	Trade Union Representation 1.6.7	tu rep Jury / Magistrates 1.6.7	Trade Union Central 1.6.7	Trade Union-Amma 1.6.7	Trade Union-NAHT 1.6.7	Trade Union-NUT 1.6.7	Trade Union-Nasuwt 1.6.7	Trade Union-SHA 1.6.7	Maternity Cover 1.6.7	Total Per School
Ellen Tinkham	131	1,137	3,219	223	6,591	3,437	1,347	152	1,335	16	193	72	173	173	37	316	312	9	8,255	26,997
Southbrook School	110	955	2,703	188	5,534	2,886	1,131	128	1,121	14	162	61	145	145	31	265	262	8	6,932	22,671
Mill Water Community	100	868	2,457	171	5,031	2,624	1,028	116	1,019	12	147	55	132	132	28	241	238	7	6,302	20,608
Barley Lane School	54	469	1,327	92	2,717	1,417	555	63	550	7	80	30	71	71	15	130	129	4	3,403	11,130
The Lampard Commu	100	868	2,457	171	5,031	2,624	1,028	116	1,019	12	147	55	132	132	28	241	238	7	6,302	20,608
Pathfield School	122	1,059	2,998	208	6,138	3,201	1,254	142	1,243	15	180	67	161	161	34	294	291	8	7,688	25,142
Oaklands Park School	55	478	1,351	94	2,767	1,443	565	64	561	7	81	30	73	73	15	133	131	4	3,466	11,336
Bidwell Park School	90	781	2,211	153	4,528	2,361	925	105	917	11	133	50	119	119	25	217	214	6	5,672	18,547
Ratcliffe School	80	695	1,966	136	4,025	2,099	823	93	815	10	118	44	106	106	22	193	191	6	5,041	16,489
Marland School	40	347	983	68	2,013	1,050	411	47	408	5	59	22	53	53	11	97	95	3	2,521	8,246
Springfield Court	27	234	663	46	1,358	708	278	31	275	3	40	15	36	36	8	65	64	2	1,702	5,564
	909	7,891	22,335	1,550	45,733	23,850	9,345	1,057	9,263	112	1,340	501	1,201	1,201	254	2,192	2,165	64	57,284	187,338