

## **Nether Hall School**

### **Response to Funding Consultation November 2020**

#### **Executive Summary**

This document sets out a response from the leadership team and governing body at Nether Hall School, Leicester, to the SEND special schools funding rates review currently being undertaken by Leicester City Council. The response covers the following main points:

#### **Review**

Nether Hall welcomes the funding review; one has not taken place since 2014, despite the School's request in 2018 when it first fell into a deficit budget. The consequence of this has been that:

- The funding allocated to Nether Hall no longer reflects the cohort of pupils it serves
- The school has been significantly underfunded for the last two years

#### **Funding allocation and standardised teaching costs**

Whilst Nether Hall also welcomes a revised funding formula, which awards the school a 4% increase in funding, we would wish to place on record that it still does not provide enough funding to:

- Address, the deficit balance that began in 2018
- Allocate enough funds to prevent the deficit from continuing
- Recognise the causes of the deficit

A major cause for concern is the reliance of the funding formula on a standardised rate for non-teaching costs.

The school has been accepting pupils with increasingly complex medical and wellbeing needs. These are met through staff and services that fall under the category of 'non-teaching costs' which a standardised rate does not recognise or fund.

Funding for Nether Hall school needs to ensure that it allows the school to continue to serve the health and wellbeing needs of its pupils, without impacting on their educational needs and outcomes.

#### **Comparator schools**

The review only applies to six of the City's Special Schools and excludes Ash Field Academy from the cohort of comparators. While Nether Hall acknowledges the reasons for this, it requests a reciprocal acknowledgement from the Local Authority that the exclusion serves to prejudice the outcome for Nether Hall. We understand that the allocation of funding to Ash Field is to be considered next year.

The two schools share more similarities, than differences, in terms of pupil cohort and non-teaching needs. We request, therefore, that once the review of Ash Field is completed that the outcome also be similar, particularly as these additional needs appear to have given Ash Field a funding rate that is 50% higher than Nether Hall's.

#### **Conclusion**

Nether Hall school welcomes the funding review, recognises the challenging financial circumstances that the Council faces in relation to the Higher Needs Funding Block and accepts that Department for Education rules dictate how funding is calculated.

However the proposals, if accepted, may lead to unwelcome outcomes that must be considered and prevented. These include continued underfunding; the prospect of staff reductions; a negative impact on the health and wellbeing of Nether Hall staff and pupils; the inability for the school to accept new pupils during the course of the academic year, potentially leading to costly tribunals.

The document therefore sets out our response to the consultation in further detail.

Nether Hall would also like to take the opportunity to thank the Local Authority team for its effort to begin what the School, its leadership team and governing body accepts is a difficult task. Therefore, in the spirit of sharing a common objective, which is to achieve a positive outcome for all the City's Special Needs pupils, it looks forward to continued dialogue in order to reach the best conclusion all round.

## **Response to Funding Consultation November 2020**

### **General**

#### **Need for a review and methodology**

Nether Hall supported the funding review because there has been no review since 2014 and the funding allocated to Nether Hall no longer reflects the cohort of pupils the school serves. Consequently, we have been running at a deficit for the past three years, and only able to make our books balance by raiding our ever-diminishing BSF reserves that were intended for other purposes.

The funding issue facing the City Council relates to an overspend on the entire High Needs Block Grant. The school would have expected the review to have covered all aspects of expenditure from the grant. Even within the allocation for Special Schools, the review could consider all aspects of this expenditure rather than just a reallocation of the funding between the six schools involved.

The school accepts that Ash Field will be subject to a later exercise and doesn't want the review delayed. However, when making comparisons on funding for Nether Hall, comparison with the funding for Ash Field should be part of the process because their cohort of pupils are more appropriate than the other five schools and it would appear that Ash Field are funded at a rate 50% higher than Nether Hall.

The school accepts that the funding rules from the Department for Education insist that they are converted to a per pupil basis. However, funding should take into account medical and care needs as well as teaching needs and, as with senior leadership costs, should reflect economies of scale for larger schools for other fixed costs.

### **Summary**

The review has a drawback because it looks at the funding of six special schools in isolation from the other elements paid from the High Needs Funding Block.

No comparative schools to Nether Hall have been identified to justify the funds allocated.

The standardised per pupil funding for non-teaching costs is unfair because it doesn't take account of the inevitable extra medical and care costs associated with the pupils with the most complex needs and the related fixed costs for a small school.

Further the increase in allocation of £1,500 per pupil for other income should be reviewed.

Whilst the banding system is acceptable, the money should be allocated for each child rather than averaged; the allocation to bands should be moderated and should be based on the current year profile of pupils and not historical data.

Additional funding should certainly be available for the pupils with the most complex needs.

The response covers the wider picture than the specific questions contained on the consultation website. We will upload the parts of our response that deal with those matters in addition to this document.

The proposal following a number of years of underfunding will leave Nether Hall with a deficit of between £200,000 and £300,000. By addressing the issue of non-teaching costs and an adjustment to the banding allocations, the proposals would enable the school to continue its current teaching and care for its pupils.

The adjustment required is rather than reduce the non-teaching cost from £6,762 to £5,677 to increase it to £7,000; and rather than increase the other income from £1,457 to £1,500 to reduce it to £1,400. This will provide the school with an additional £150,000, not quite enough but something we can work with.

### **High Needs Block Costs and Funding**

The summary of the High Needs Spending Block shows that the allocation has risen from £44,385,000 in 2017/18 to a budgeted £54,065,000 in 2020/21. Spending has increased from £46,094,000 to a budget of £59,716,000 in 2020/21 an increase of 29.5%

The amount allocated to Nether Hall in that time has risen from £2,155,000 to a projected £2,582,000 an increase of 19.8%. Nether Hall's proportion of the overall spending has fallen: and hence to bring the overall spending and allocation into line, it isn't appropriate to underfund Nether Hall. The Chair of Governors wrote to Martin Judson, Head of Finance, in July 2018 with his concerns that the allocation wasn't keeping up with the increase in costs particularly as the school has increased the number of pupils with more complex needs. No response was forthcoming from the local authority.

The school has carefully managed its resources over the years including making available the amount left unspent from the school rebuilding. However, the relentless increase in costs particularly for teaching assistants, who make up the majority of the school workforce, means that the school will be in deficit in 2020/21. Decisions on staff reductions have been delayed because there have been a number of reviews promised in recent years where the school felt that increased funding would be available.

If the problem is the total spending from the High Needs Block, then all aspects should be part of the review not just the six special schools.

### **Standardised Per Pupil Funding for non-teaching costs**

The main point we wish to draw your attention to is the unfair nature of the cut in Other Staff and non-staffing funding. Based on 105 pupils on your figures of a current spend of  $105 * £6,762 = £710,010$  is reduced to  $105 * £5,677 = £596,085$ .

The proportion of the High Needs Funding block and the amount allocated from that block to Nether Hall has not increased so we feel it is unfair to make a reduction in this expenditure.

To come to the figure of £5,677 per pupil at each school, you have assumed that all pupils have the same level of non-teaching costs.

There are some further issues that we will explain to show that the decrease in funding is actually more than this in a normal year.

There are two reasons why Nether Hall should receive funding on a different basis than other schools in your review. Firstly, because the cohort of pupils isn't on a par with the other schools and secondly the school has fixed costs that are not directly related to pupil numbers and hence funding on a per pupil basis requires amendment.

### **Cohort of Pupils and funding implications**

#### **Physical characteristics**

We have a high number of PMLD pupils amounting to nearly a quarter of our pupils.

37% of our pupils have physiotherapy plans and 41% require daily health/medical care support.

This requires a physical therapy team costing £51,046.

We also have a Well-being co-ordinator at £32,000

In this respect we consider that Ash Field should be more of a comparative school than Oaklands or Ellesmere. Ash Field are not part of this review so we have no immediate comparative figures. However we have extracted data from the Government comparison website that shows their funding per pupil is circa £34,000 compared to Nether Hall at £24,000.

They have 3 full time staff on their movement team; 3 Well-Being Staff, a Health care team of 3 plus family support workers. Ash Field have 161 pupils.

#### **Hydrotherapy Pool**

Nether Hall has a hydrotherapy pool which was a great benefit when the school was rebuilt for pupils with physical disabilities. The costs associated with the pool are:

Lifeguards x 2 £25,580; pool servicing maintenance and consumables £12,000; Training and accreditation £1,000 an annual cost of £38,580

#### **Mid-Day**

The school employs 23 mid-day supervisors at a cost of £74,189 in a normal year (less in 2020/21 due to summer term closure). As noted above the health needs of a number of pupils means they are tube fed increasing the number of staff required.

#### **Premises**

These costs are also higher than other schools due to the needs of pupils. For example, rooms are larger to accommodate wheelchairs; there are more toilets and changing facilities. All pupils arrive by bus or taxi making the management of the site more difficult. The school needs to work closely with parents due to the many medical issues the pupils face.

The lifeguards and physical therapy team are currently allocated to the cost centre for teaching assistants and hence may have been included in your analysis as a teaching cost.

There are certain costs such as building maintenance; IT infrastructure; payroll costs such as premises and administrative staff that are not variable as the pupil numbers rise and fall. Thus, a small school such as Nether Hall is penalised. There are fewer pupils to spread these fixed costs over.

As an example, the school requires two premises staff at a total cost of £89,000, this wouldn't change if we have more or fewer pupils; Cleaning costs £39,000 once again the size of the school and the area to be cleaned does not vary because the pupil numbers change.

As an example of cost savings impacting on teaching and learning, Nether Hall has the highest percentage of PMLD pupils who have particularly complex needs such as tube feeding and extra lunchtime supervision. This involves extra costs. The option of Teaching Assistants taking their lunch break during teaching time has been considered. This would allow them to help at lunch times. The experience of other schools where this has occurred is a severe impact on the quality of learning whilst the Teaching Assistants are away from the classroom.

The therapeutic pool and other specialist equipment are an important part of the school's offer, particularly for those pupils with the highest levels of need. There would be a considerable impact if these facilities had to be closed. Safeguarding considerations mean that in addition to the running costs, high levels of trained staff such as lifeguards are also required.

The allocation for this section should be based on the actual costs for each school rather than averaged out over schools with more pupils with less complex needs.

This is the major area where the school will suffer from the funding changes. Given the fixed nature of many of these costs, the only option will be to reduce teaching expenditure below the levels deemed appropriate during the review.

There is also a standard £1,500 per pupil assumed for other income. This has increased from the £1,457 identified in your review and seems just to be a rounding up exercise. Any external funding will be harder to attract this year and if grants such as pupil premium or PE increase, then the associated expenditure will also increase as these grants are ring fenced. It would seem more appropriate to round down to £1,400.

### **Six band system for identifying pupil Teaching need**

The use of an averaging over a previous year banding exercise is too broad. Funding should be allocated based on the actual numbers in each band and should be based on the current cohort of pupils.

The banding system has not been moderated yet the approach is to reallocate the total amount spent by the schools in 2019/20. So how can you be confident that each school has used the same approach to placing pupils in each band? For schools to have confidence in the fairness of the funding allocation, it should be moderated independently.

The averaging approach does not take account of changes in the profile of pupils at a school. It should be based on a moderated banding for the year in question. In order to match our funding requirement, only a minor change to this area would allow the school to continue the current staffing model.

## **Future issues**

The proposal assumes that the needs profile of pupils will not change during the year. This means that when the requirement arises to place a particularly challenging pupil, the school will not be able to accept them. This will result in conflicts between the local authority; parents; the child and the school. It may well result in time and costs associated with appeals and tribunals and with more pupils having to be placed in either Independent/Non-Maintained or with another local authority school, all of which will involve extra costs. We understand that this has now been addressed and funding will be available for pupils beyond band six.

Whilst some protection against increase in teacher's pay and pension has been incorporated for 2021/22, the pressure on the school teaching costs has come from the increase in pay and pension costs for teaching assistants. The overall cost of teaching assistants is twice that of teachers at Nether Hall. This must be considered when allocations for future years are determined.