

# SEND special schools funding rates review

## Overview

We are proposing a change to funding formula methods in council-maintained special schools, as these have not been reviewed since 2014. The aim of the proposal is to ensure a fair and equitable funding to meet pupil needs.

Findings from the consultation will be taken back to the city council's Executive and will require agreement from all special schools, and the Department for Education.

## About you

Are you responding as...

(Required)

*Please select only one item*

- member of the public    parent of a child / young person attending a special school  
 carer of a child / young person attending a special school    headteacher  
 school governor    teacher    non-teaching school staff

What is your home / work postcode? (as appropriate)

Please note: we collect postcode data to gain a better understanding of which parts of the city / county respond to our consultations. We cannot identify individual properties or addresses from this information.

## Professionals page

You will be asked for an email address when you submit this form. We will use this to send you a copy of your response. Your contact details will not be passed on to any other individual, organisation or group.

Name of school / organisation

Position held / job title

Are you responding on behalf of your school / organisation or as an individual?

*Please select only one item*

- School / organisation     Individual

## Background / current funding arrangements

The funding formula within mainstream special schools has not been reviewed since 2014. We are therefore consulting on a revised methodology and approach to funding special schools.

Pressures on the high needs budget is a recognized national issue, which is well documented across local government.

The pressure on the Dedicated Schools Grant (DSG) has led to more and larger overspends in recent years. Local authorities' budget data for 2019-20 recorded that at the end of 2018-19, about half of all authorities experienced an overspend, amounting to over £250m in all, while others were still carrying forward surpluses.

The continued and ongoing pressures on the DSG have been acknowledged by the government, which launched a **consultation** <<https://www.gov.uk/government/consultations/consultation-on-changing-the-dedicated-schools-grant>> to look at current policy and changing the conditions and regulations applying to the DSG.

Part of the consultation summary states that a local authority may not fund any part of the overspend from its general resources, unless it applies for and receives permission from the Secretary of State to do so.

We have been aware of the pressure on the DSG and the overspends the LA has experienced over recent years. Whilst the LA's DSG reserve was in surplus at the end of 2019/20, we are forecasting a cumulative deficit of £2.6m by the end of 2020/21.

Direct comparisons of funding rates between local authority areas are difficult because whilst schools may have a focus on one area of need, they do take children with a varying mix of other needs.

- **Other LA rates by type of need compared to 'best fit' LCC proposed rates by school** <[user\\_uploads/appendix-3-----proposed-unit-funding-rates-and-resultant-single-weighted-average-funding-rate-per-school-and-comparison-to-current-rate-1.pdf](#)>

### Local context

Locally, the actual overspend in the High Needs Block (HNB) for 2019/20 was £6.6m. From 2020/21 the DfE have provided additional HNB funding nationally and for Leicester the increase is £6.4m.

However, this only addresses the 2019/20 funding shortfall and further growth in pupil numbers particularly for SEMH and ASD needs, means that the HNB is forecast to be in deficit again by £5.7m in 2020/21, even allowing for the additional allocation.

As part of our review of HNB expenditure we have embarked on a process to review our two most significant areas of expenditure: special schools and mainstream top-ups.

The intention of these reviews is to ensure that the available funding is distributed fairly and equitably and achieves value for money.

We have been working closely with our special schools over the last 12 months as part of the lead up to this consultation. A combination of collaborative working groups and commissioned reports as helped inform and shape our response.

## Proposed changes to special school funding arrangements

### Proposal overview

We propose to carry out a review and consultation of the banding rates, by identifying separate per pupil funding rates for the following:

**Teaching costs** per pupil will vary according to the level of need of the child. By ensuring the correct level of funding is applied, it will ensure teaching levels will meet the needs of the pupil.

**Non-teaching costs** per pupil should not vary significantly with the level of need of the child and will be the decision for the school in terms of the application of funding.

The proposals are intended to ensure that available high needs block funding is distributed equitably to individual special schools based on pupil need for teaching costs and based on a fair expectation of the associated non-teaching costs which will ensure value for money.

- **Comparison of unit costs and funding rates for 2019/20** [comparison-of-unit-costs-and-funding-rates-for-2019.pdf](user_uploads/appendix-2-----comparison-of-unit-costs-and-funding-rates-for-2019.pdf)

Funding for pupil referral units and the hospital school are not in scope of this review.

Ash Field Academy will be subject to a separate review over the coming months.

This review will therefore only cover Ellesmere, Oaklands, West Gate, Nether Hall, Millgate and Keyham Lodge.

## Standardised per pupil funding for non-teaching costs

### Further information

Revised unit funding rates are proposed. These rates are based on two elements, firstly providing a standardised level of per pupil funding for non-teaching costs, i.e. the leadership team, other non-teaching staff and other premises costs, supplies and services.

Some allowance will be made for the economies of scale in leadership costs for the larger schools and if schools are on one site or split over several sites.

The rates of funding for these items are based on a review of the actual expenditure in the schools in 2019/20.

- **Comparison of unit costs and funding rates for 2019/20** <user\_uploads/appendix-2-----comparison-of-unit-costs-and-funding-rates-for-2019.pdf>
- **Proposed unit funding rates and resultant single weighted average funding rate per school and comparison to current rate** <user\_uploads/appendix-3-----proposed-unit-funding-rates-and-resultant-single-weighted-average-funding-rate-per-school-and-comparison-to-current-rate.pdf>

Do you agree with this proposal

Please select only one item

Yes  No  Not sure  No opinion either way

Your comments on standardised funding

How would this affect your school / students?

**Please attach a copy of any documents you wish to include to this printout.**

Please use the link below if you wish to upload supporting documentation relating to standardised per pupil funding (non teaching costs).

## Six band system for identifying pupil teaching need

### Further information

The second aspect of the funding rate (teaching element) is based on a **six bands** [<user\\_uploads/table-3.pdf>](#) system which identifies pupil need and provides progressive levels of financial support by applying a weighting to each band. **The banding descriptors can be viewed in this PDF** [<user\\_uploads/descriptors-of-provision-for-pupils-in-special-schools-february-2020-v4.pdf>](#) . Schools assigned a band to each of their January 2020 pupil cohort.

The total funding for each pupil will be a combination of the standardised non-teaching element plus the banded rate for teaching. The total funding to be made available for teaching is consistent with the current total level of teaching expenditure seen in 2019/20. It is the distribution of the funding for that expenditure which will change under these proposals.

Unit funding rates for both teaching and non-teaching elements have been combined to provide a new revised single weighted average funding rate for each school which is based on their pupil cohort in 2019/20.

It is expected the pupil / banding mix will not change significantly annually, however if it does the local authority will undertake a review with the school. Furthermore, we will review bandings again in 2021/22.

- **Comparison of unit costs and funding rates for 2019** [<user\\_uploads/appendix-2-----comparison-of-unit-costs-and-funding-rates-for-2019.pdf>](#)
- **Proposed unit funding rates and resultant single weighted average funding rate per school and comparison to current rate** [<user\\_uploads/appendix-3-----proposed-unit-funding-rates-and-resultant-single-weighted-average-funding-rate-per-school-and-comparison-to-current-rate.pdf>](#)

The approach outlined above is designed to provide transparent, fair and equitable funding rates across our maintained special schools. The rates proposed are broadly comparable with those in other local authorities.

All pupils will attract this funding rate at the school, and we will not be assessing each pupil individually in 2020/21.

Do you agree with the weighting element of this proposal?

*Please select only one item*

Yes  No  Not sure  No opinion either way

### Your comments on the six band system and weighting

### How will this affect your school / students?

**Please attach a copy of any documents you wish to include to this printout.**

Please use the link below if you wish to upload supporting documentation relevant to the six band proposal.

### Generally speaking, how will proposed changes to your school funding rate affect your school / students?



## Do you have any final comments on special schools funding?

**Please attach a copy of any documents you wish to include to this printout.**

Please use the link below if you wish to upload relevant supporting documentation.

### Next steps

Special schools' unit funding rates cannot be reduced without formal approval from the DfE.

Responses and feedback to this consultation will be analysed, after which the council will arrange a meeting with Schools Forum and Special Schools Leadership teams to discuss the consultation responses and determine whether there is agreement to the LA's formal response and final proposals.

It is envisaged that these meetings will take place between December 2020 and January 2021, before proposals for any changes are taken to the DfE.

It is intended any changes agreed will be implemented from April 2021. The local authority will work with each school as necessary to develop individual transition timelines and arrangements.