

Appendix 5 – Summary of main issues raised in the consultation

School specific

General points raised by most schools

- 1) The majority of schools supported the need to review the funding of special schools to make it fairer and based on pupil need and not where the provision is located.
- 2) Concern was raised generally as to why the whole of the HNB was not being reviewed at the same time, rather than look at special schools first and ring-fence existing funding.

LA response

The LA is committed to reviewing all of the areas of expenditure funded from the HNB to ensure a fair distribution of funding and value for money. It is not practical to review all areas simultaneously given the need for extensive consultation. We have started with special schools as the largest single area of expenditure and where there are the most concerns regarding the fairness of funding for individual schools. As we progress through the reviews, we will determine whether or not the funding is fair by benchmarking with other LAs and adjust funding between areas accordingly. Therefore, no area will be disadvantaged by the order in which that area of expenditure is reviewed.

- 3) Similarly, there was general concern as to why Ash Field Academy in particular and to a lesser extent the secondary pupil referral unit were not included in the funding review now, rather than at a later date.

LA response

Neither Ash Field or the other special schools will be disadvantaged as a result of the reviews being separate. There was a pressing need to begin the consultation for the majority of schools as soon as possible and including Ash Field at this stage would have introduced further delay. The delays related to the availability of comparative unit costs for 2019/20 as a result of the different financial year ends for academies and there are also issues of cost comparability as a result of the wider range of need at Ash Field including the medical support which needed further work as part of the review. The review of Ash Field will commence when the outcome of this consultation is completed.

- 4) General concerns were raised over the basis of calculating the funding rate. The proposed system calculates the funding for the financial year starting in April based on the pupil bands in the previous January (ie in the same academic year). A weighted average pupil funding rate is calculated for that cohort of pupils and is applied to all pupils for that financial year. Schools were not in favour of this approach and wanted funding to be based on each pupil in real time as they enrol at the school.

LA response

The LA proposed calculating a weighted average funding rate for all pupils at a school based on the bands of the pupil cohort at a point in time and applying that rate for the whole of the following financial year. The rate would be re-calculated on an annual basis. This approach was proposed rather than the alternative of applying a specific banded rate for every individual pupil who attends the school during the financial year.

This approach has the following advantages:

- *There is a practical limitation in the capacity of the LA to moderate the bands applied by special schools to pupils in 'real time'. By reviewing the bandings by schools of all*

pupils at a pre-determined point in time we can sample check the bands selected in a peer to peer group and moderate as appropriate

- It gives the schools certainty over their unit funding levels for the following year*
- Where there are new children in year, the funding can be settled immediately*
- An annual recalculation of average rates allows the Council better budgetary control where there may be band inflation in order to better match available funding to the level of demand and remain in the overall budget envelope*
- Over the long term, schools will not be financially disadvantaged because the average banding rate will be re-calculated year on year and will therefore reflect the changing need of the schools' cohort*

We have indicated that where schools have a cohort of children at a separate site which have significantly different levels of need to the main site, then a different average funding rate will apply to each site.

We have also indicated that there may be exceptional circumstances where a pupil's need is significantly beyond the needs of our banding descriptors and this will be looked at on a case by case basis with additional funding being made available.

Ordinarily the calculation of the weighted average banded rate for the next financial year will be based on the cohort of the current academic year. For example for the financial year April 2022 to March 2023, the weighted average banded rate calculation will be based on the cohort of pupils in the academic year September 2021 to August 2022 and be used for the full financial year.

Any changes in the cohort of pupils in the academic year starting in September 2022 will not be reflected in a change to the weighted average banded rate until the April 2023 financial year. Mainstream schools are similarly funded based on a part lagged basis but unlike mainstream schools, special school will always be funded for the correct number of pupils. The only impact on special schools is the part year delay in changing the weighted average rate. We do not expect this to have a significant impact. Moreover, for the reasons outlined above it is only practical to re-band and moderate once per annum.

- 5) There were concerns that the bands selected by schools for their pupils had not been through any independent moderation process and therefore may not be comparable across schools.

LA response

For the financial year 2021/22 we will be using the pupil banding provided by schools for their January 2019 cohort. For the following financial year starting 1 April 2022 we will use the pupil banding provided by schools for their January 2022 cohort and these bandings will be subject to a peer moderation process.

The moderation process applied to the pupil cohort for 2019/20 was completed, however as the sample size was not adequate, therefore we did not feel this could be fairly used and applied to moderate all schools banding. Additionally, it was felt by moderating at this time, it was add further complexity to this review.

Once the banding rates have been agreed we want to ensure there is a robust and transparent process relying on a peer moderation model. It is important the we work collaboratively Special Schools to design and implement this process moving forward.

- 6) Concerns were raised generally about the funding for pay and pension increases both for teaching and support staff and how these would be reflected in the rates.

LA response

The DfE have now confirmed that the previously separate grants for teachers' pay rises in 2018/19 and 2019/20 and the teachers' pension increase in 2019/20 will be incorporated as part of our HNB grant allocation. As a result, the DfE have instructed LAs to add £660 per pupil to our current funding rates. The impact will be neutral for schools.

Therefore, whilst our LA funding rate from 2021/22 will increase because of this transfer, the impact will be neutral for schools because the external teachers' pay and pension grant income will reduce by the equivalent amount.

We will also adjust the funding rates for the teachers' and non-teaching staff pay and pension rises in 2020/21. Any increases for teaching and non-teaching staff for 2021/22 are not yet known and so funding will be held centrally until such time as we have confirmation.

Specific concerns raised by Keyham and Millgate

- 7) Concern was raised by Millgate and Keyham that the weighting of the banded funding should not be based on staffing support ratios as this did not accurately represent the level of need that the staff would have to address.

LA response

The pupil banding descriptors were produced and updated by the special school head teachers, following a review of those developed by an external consultant. The descriptors also provide indicative average levels of support staff required for each band. The level of additional support staffing is used as a means to weight the level of resource required at each band. We remain of the view that allocating resources in this way is the most pragmatic method available.

- 8) Concern was raised that the rate of funding for each band is insufficient to cover the costs of the support described by the band.

LA response

The teaching funding provided for each band is weighted according to the level of staffing resource required for each band. The weighting provided in the formula, which when combined with the pupil banding data provided by the school produces a level of overall funding for teaching which exceeds the actual teaching costs incurred by these schools in 2019/20 (after adjusting for the respite provision costs at Millgate) which itself is based on the actual resources required for the pupils' needs.

- 9) Concern was raised by Millgate and Keyham schools that separating out the funding of leadership grade staff and funding these at a fixed rate regardless of need of the pupils was not appropriate. This was on the basis that schools that deal with SEMH pupils need a different structure to other schools and that their leadership staff are much more heavily involved in teaching and that staff at this level are needed to deal with the behaviour of some of these pupils. Keyham and Millgate employ a total of 18 staff on leadership grades, compared to a total of 20 similarly graded staff across the 4 other schools in this consultation combined.

LA response

We recognise that Keyham and Millgate spend more (80% and 62% respectively) on non-staffing running and non-teaching staff costs per pupil than the standardised funding amount included in these proposals.

We have entered into further discussions with both schools regarding this issue and have asked that they provide more detailed information to consider whether or not additional funding is required in excess of the propose rate.

Specifically we have asked for further details of their leadership grade staff and evidence of the degree to which these staff are engaged in face to face teaching over and above what would normally be expected for this level of staff.

- 10) Keyham and Millgate were concerned that the standardised running cost and non-teaching staff funding that is being proposed is inadequate to fund the range of activities that they provide and that are necessary for their SEMH pupils. Millgate said that based on the funding proposed they would not be able to keep their respite provision (which they refer to as residential provision).

LA response

Keyham and Millgate provide a range of additional support that other special schools are not able to. Whilst schools have a significant degree of latitude in terms of deploying their resources it has to be recognised that all providers have to operate within funding constraints.

We will continue to fund the 400k required for the residential respite provision and working with Millgate, will complete a full commissioning review during 2021/22.

Specific concerns raised by Nether Hall

- 12) Nether Hall raised the concern that their PMLD pupils require additional funding for health and medical support which they provide.

LA response

We have entered into further discussions with Nether Hall regarding this issue and have asked for more detailed information to consider whether or not additional funding is required in excess of the proposed rate.

Specific concerns raised by West Gate

- 13) West Gate, whilst supportive of the revised system, remain concerned that whilst they would receive additional funding compared to their existing rate, the amount falls short of their existing expenditure. The school believe that the proposed rate is inadequate, and they are unable to reduce their costs to match the rate.

LA response

We are in further discussions with West Gate regarding the level of teaching and support staff that the school employ.

Schools Forum response

- 14) Schools Forum felt that the realignment of funds was overdue and that on balance was a fairer system as funding would follow need not institution. Forum supported the review of the HNB expenditure in general. They were also keen that we apply a system of moderating the banding of pupils by schools to ensure parity. Finally, whilst supporting the proposals they wanted to ensure that there was a transition plan in place for those schools that are losing funding.

LA Response

A transitions plan will be agreed with the two schools that see a reduction in funding and will agree this with the DfE.

General responses to the consultation

1. Charts detailing the general responses to the consultation are shown in Appendix 6
2. In summary the majority of head teachers and governors were in favour of using the 6 band system for identifying pupil teaching need. Whilst this was not the case for teachers, the split was 48% in favour versus 37% not, with the remainder indifferent. Non-teaching school staff were evenly split.
3. Similarly the majority of head teachers and governors supported the use of standardised funding for non-teaching related costs. However, a majority of teachers and non-teaching staff were against this approach.