

SCHOOLS FORUM

Meeting date: 9th June 2021

**From: Daniel Barton
Assistant Director – Education & Skills**

SPECIAL SCHOOL BANDINGS REVIEW 2021/22

1.0 EXECUTIVE SUMMARY

- 1.1 *This report informs the Schools Forum that a full review of the special schools funding formula is to be undertaken which is planned to be completed by January 2022 in line with the timeline for setting the Dedicated Schools Budget for 2022-23.*
- 1.2 *As an interim measure to ensure that special schools are appropriately funded an uplift to the lowest level special school banding from £2,995 to £4,500 is proposed backdated to take effect from 1 April 2021.*

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

- 2.1 *Ensuring that Cumbrian schools are funded appropriately is supportive of the Council Plan outcome that 'People in Cumbria are healthy and safe'.*

3.0 RECOMMENDATION

- 3.1 *The Schools Forum is asked to:*
 - *note the contents of this paper and provide feedback on the proposed uplift of the lowest level special school banding from £2,995 to £4,500 ahead a full review of the special school funding formula;*
 - *Commission of review of special school banding that has previously been undertaken and update as necessary.*

4.0 **BACKGROUND**

- 4.1 Maintained special schools, special academies and special free schools are funded entirely from the High Needs Block of the Dedicated Schools Grant. There are currently 3 maintained, 2 academy and one free special school in Cumbria.
- 4.2 In accordance with the Schools & Early Years Finance Regulations 2021 and High Needs Block Operational Guidance special schools must be funded at £10,000 per place. In addition to this they receive a per pupil top-up funding paid by the commissioning local authority. It is for the local authority to determine the top-up element of the funding in consultation with its Schools Forum.
- 4.3 All maintained special, special academies and special free schools are funded using the same local top-up funding formula methodology however the funding formula, which although has seen inflationary increases in recent years, has not been reviewed for some time and special school headteachers have reported that managing within the existing budget is getting increasingly challenging.

5.0 **CURRENT SPECIAL SCHOOL FUNDING FORMULA 2021/22**

- 5.1 The below table shows the current number of special school places for the academic years 2020/21 and 2021/22 as determined when the Dedicated Schools Grant budget for 2021/22 was initially set:

School	Places AY 20/21	Places AY 21/22	Additional Places agreed in year AY 21/22	Total Places AY 21/22
Mayfield School	160	190	3	193
Sandgate School	120	120		120
Sandside Lodge	100	100		100
George Hastwell	90	90		90
James Rennie	150	156	3	159
Cumbria Autism Academy	40	48	6	54
Total	660	704	12	716

- 5.2 Since then, 12 additional places have been agreed to take effect from 1 September 2021 which were not foreseen when the budget was initially set to meet increased demand for specialist places and following tribunal cases in the North and West. Therefore, the total number of funded places with effect from 1 September 2021 currently stands at 716 an increase of 56 specialist places compared to academic year 2020/21. Each place is funded at £10,000 therefore the total cost of places in the financial year 2021/22 is currently £6.927m (660 places x 5/12ths x £10,000 plus 716 places x 7/12ths x £10,000).
- 5.3 In addition to the place funding the special schools receive top-up funding which comprises of school-led and pupil-led factor top-ups to core budgets

and top-up funding linked to individual pupils needs via a banding system. These top-up amounts are determined by the local authority.

5.4 In 2021/22 a total of £2.178m has been allocated to special schools through the formula-led factor top-ups which comprise of the following:

Factor	Amount	Description
Lump sum	£117,800	This is a flat lump sum and in line with mainstream schools represents an inflationary increase of 3% compared to 2020/21
Buildings/Equipment	£32,448 to £64,896	This top-up reflects the cost of therapy pools and split sites for the relevant schools and represents an increase of 4% compared to 2020/21
Social Deprivation	£642.53	The total amount available across all special schools is £129,792 which represents an inflationary increase of 4% compared to 2020/21 and is allocated based on £642.53 per 1% of deprivation in the school based on the % of Ever6 FSM pupils in the school as at the October 2020 census and represents an increase of 4% compared to 2020/21
Early Years Foundation Stage and Key Stage 5	£1,316	£1,316 is allocated for each EYFS and KS5 pupil on roll as at the October 2020 census and represents a 4% increase compared to 2020/21
Key Stage 3 and 4 Uplift	6.38%	As agreed by Schools Forum in November 2016 a 6.38% uplift is applied for each KS3 and KS4 pupil as a proportion of the total special school budget
Minimum Funding Guarantee	0%	This is set by the DfE and protects special schools from losses compared to their 2020/21 baseline
Protected former Teacher Pay and Pension Grants	£660	This is a per pupil amount the total allocation of which must be no less than the amounts received separately for these grants in 2020/21

5.5 In additional to the above formula factors special schools also receive EHCP top-up funding based on individual pupil needs. These are based on a banded system as follows:

Banding Level	Amount	Description
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SS1	£2,995	Band 4 More severe SEND
SS2	£7,503	Band 5 Profound SEND
SS3	£12,685	Band 6 Exceptional SEND

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- 5.6 The Bandings for 2021/22 represent an inflationary increase of 4% compared to the 2020/21 levels. In total, based on the initial HN top-up allocations for 2021/22 £5.592m has been allocated to special schools in top-up funding as follows:

Banding	Number of Children	Total
SS1	178	£503,265
SS2	233	£1,599,167
SS3	222	£2,645,337
SS3 plus Exceptional	12	£335,880
Exceptional	23	£508,164
Total	667	£5,591,813

- 5.7 Special school places not only offer a lower cost alternative to independent places, but also allow pupils to be educated in their community. It is recognised that special schools are facing significant financial pressure due to increasing numbers of pupils with ever greater levels and complexities of need.
- 5.8 Whilst placing pupils in a maintained, academy or free school special school is better value for money than a placement in an independent setting, the number of available places at special schools is constricted by the available space within each school. Classroom expansion of some special schools is either proposed or due to commence but longer term, a solution may be the development of more free special schools.
- 5.9 High needs funding is a national issue as is top up bands for special schools. As at Spring 2021 top up bands in special schools across the North West region varied from £1,000 up to £40,000 dependent on banding and need with the average top up being between £9,000 and £13,000. The number of bands also varies across the North West from 3 up to 7.
- 5.10 As the funding formula and top-up bandings for special schools have not been reviewed for a number of years a full review is to be undertaken during 2021/22 to update the funding formula so that it more closely aligns with actual pupil needs and costs of providing for those needs within a special school environment whilst bearing in mind the limitations of the funding available and the impact on the overall High Needs Block budget.
- 5.11 It has been recognised that the banding system is out of date and the complexities of pupil needs have increased significantly since the current banding system was first put in place, so as an interim measure, ahead of a full review, an immediate uplift to the lowest banding level from £2,995 to £4,500 is proposed to take effect from 1st April 2021. The uplift will ensure

that that special schools receive, at a minimum, at least the level of top-up funding that a pupil with high needs would receive in a mainstream School Resourced Provision unit.

- 5.12 Based on the initial High Needs top-up statements for 2021/22 the full year impact of the uplift is estimated to be £0.253m. Whilst this will create immediate additional pressure on the High Needs block it is expected that this uplift will enable special schools to manage their budgets more effectively and therefore reduce the demand for exceptional funding requests.
- 5.13 A full review of the special school bandings and funding will review previous work on this and update as necessary and will include benchmarking against other local authorities' special school funding arrangements and collaboration with Headteachers, the Senior SEN Inclusion Manager and the Schools Forum SEN working group.
- 5.14 Alongside the review of special school funding, work will also be required to look at increasing the number of special school places in Cumbria, and reducing reliance on independent settings which in turn will help to mitigate any increased budget requirement as a result of the funding review. Work to identify other mitigations against increased costs to the High Needs block will need to be undertaken as part of the review.
- 5.15 Schools forum are asked to commission this review with the outcome reported back to Schools Forum the Autumn term. Due to the impact on the High Needs block a report to Cabinet is recommended. It is recommended that implementation of revised bandings is effective from 1 April 2022..

6.0 OPTIONS

- 6.1 The Schools Forum is asked to note the proposed uplift and planned review of the special schools bandings and funding and feedback on the proposed uplift to the lowest banding level from £2,995 to £4,500 with effect from 1st April 2021.

6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 6.1 Resource and value for money implications are considered throughout this report.
- 6.2 The financial impact of the funding formula review, which at this stage can't be fully quantified, is likely to come at an increased cost to the High Needs Block which is under significant financial pressure with a cumulative deficit of £14.550m as at 31 March 2021 and therefore any potential increase in special schools funding will need to be carefully managed against High Needs Deficit Recovery Plan.

7.0 CONCLUSION

7.1 This paper presents the planned review of the Special Schools funding formula and proposed immediate uplift of the lowest top-up banding level from £2,995 to £4,500 backdated to take effect from 1 April 2021.

Dan Barton
Assistant Director – Education & Skills
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REPORT AUTHOR

Contact:

Amanda Chew

Finance Manager – Education & Skills

Accountancy & Financial Planning

Finance Directorate

Email: amanda.chew@cumbria.gov.uk