

Briefing paper

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BRIEFING FOR: Schools Forum
DATE: 23rd November 2005
SUBJECT: Update on the Review of the Special School Fair Funding Formula
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1. BACKGROUND and BRIEFING DETAILS

The Special Schools subgroup was set up by the LMS Review Group in June 2002 to look at funding for Special Schools in Southampton. The subgroup consists of:

- Jonathan Howells, Cedar School
- Jacqui Partridge, Netley Court School
- Eddie Leach, Ridgeway House
- David Griffiths, Inclusion Manager (SEN)
- Helen Squibb, Principal Educational Psychologist
- Olwen Greenwood – Projects Officer
- Lynn Franklin, Finance

The subgroup initially examined how special schools were funded in both Southampton and other LEAs, and then moved on to look at how the Southampton budget share formula could be developed to ensure fairer funding for Special schools and whether targeted additional funding would actually improve achievement.

2. SUMMARY OF KEY ISSUES

Development of new place types

The subgroup recommends that funding should be based on nine new place types replacing the existing 13:

1.	Learning difficulties	Basic
2.	Learning difficulties	Enhanced
3.	Learning difficulties	Exceptional
4.	Physical difficulties	Basic
5.	Physical difficulties	Enhanced
6.	Physical difficulties	Exceptional
7.	Emotional & Behavioural difficulties	Basic
8.	Emotional & Behavioural difficulties	Enhanced
9.	Emotional & Behavioural difficulties	Exceptional

It is anticipated that funding for enhanced places will be at 1.5 times the basic funding and double for exceptional place types.

Pupil profiling

The subgroup, in partnership with the six special school headteachers, have developed three Pupil Classification Grids which define all nine categories of place type. Each special school will assign each of its existing pupils into one of the nine place types, using the grids. This will form the basis of the number of places and types in each school. The grids are currently being trialled and refined.

Moderation of pupil profiling

Education Psychologists and school staff are currently moderating the pupil profiling. One EP will be involved in moderating all six special schools along with the assigned EP for each school. One staff representative from the relevant school and one staff rep from another special school will also be involved.

Procedure for updating future place numbers

It is anticipated that place numbers and types will be reviewed after one year (in September 2006) and then on a three-year cycle. This will link in with the Special Schools Review.

Reworking of the Special School Fair Funding formula

The current special school budget share formula assigns the majority of a school's funding on the basis of number of places and the type of place. In order to find a funding value for each type of place, the subgroup will use a needs-led approach and:

- Look at the actual 2004/05 costs for each school
- Calculate the total number of weighted places for each school.
- Using these two figures calculated the average cost per weighted place for each school
- The subgroup will then use their professional judgement to see if these average costings looked correct. The average cost per place will then used to calculate the weighting between an EBD, LD and PD place.
- These weightings can then be used to reallocate the budget share per place funding to the new place types.
- The special school Fair Funding Formula can then be reworked using the new place types and values.

Introduction of the new formula and tapering arrangements

Special School budget shares are part of the council's Individual Schools Budget (ISB). The size of the ISB is effectively determined by the DfES as part of the new Dedicated Schools Grant and it is unlikely that any more budget will be available to fund the change in formula.

Depending on the number of pupils in Southampton schools in a financial year, it is likely that there will be some "headroom" within the ISB once all the budget shares for mainstream and special schools have been calculated. Also, there will be one less special school from September 2006. Therefore there maybe additional funds within the ISB that could help fund the change in formula.

The DfES Minimum Funding Guarantee (MFG) will act as a dampening mechanism for the new formula. This ensures that, if place numbers remain

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constant, each school receives at least their previous year's budget share plus a 4% increase. This will ensure that no school has a dramatic drop in funding. Some schools will see a significant increase in their budget shares. If this increase cannot be afforded from headroom, a system of tapering will be used to gradually introduce the change in funding over a number of years.

3. **TIMESCALE**

The new formula will be used to model budget shares in 2006/07 along side the existing formula and introduced in 2007/08.