

**Oxfordshire County Council
Schools Forum – 7 February 2017
Special Schools and Alternative Provision Funding 2017-18**

Settings		Sector	
Academies	✓	Foundation Stage	✓
Maintained Schools	✓	Primary	✓
PVI Nurseries		Secondary	✓
Special Schools	✓	Special	✓
Local Authority	✓	16+	✓
Schools Forum	✓	High Needs	✓

1. Item for Formal Consultation

2. Purpose of Report

The report updates Schools Forum on the proposed funding arrangements for special schools and alternative provision for 2017-18.

3. Recommendations for Schools Forum

3.1 Schools Forum is asked to note the report.

3.2 For special schools and academies - see Section 4 below. Schools Forum is asked to confirm approval of the proposed arrangements of no change for 2017-18 to the principles of the special school / special academy funding model used in 2016-17, as detailed at annex 1.

3.3 Schools Forum is asked to agree the release of 2012-13 remaining DSG balances using the same methodology as for the one-off DSG balances funding in 2016-17. Further details are included in paragraph section 4.3, below. Total to be allocated £36k.

3.4 Schools Forum is asked to note changes to the Education Services Grant (ESG) general funding rate (ceasing from September 2017) and agree to fund £6k of Central services previously funded within the General duties rate from maintained special schools. Further details are included in section 6 below

3.5 For Alternative Provision (Pupil Referral Unit) – Meadowbrook College Academy - see Section 7 below. Schools Forum is asked to confirm approval of the proposed arrangements of no change for 2017-18 to the principles of the Pupil Referral Unit funding model used in 2016-17

4. Special School / Special Academy Funding 2017-18

4.1 The principles of the special school / special academy funding model in 2017-18 are proposed to remain the same as used for 2014-15 to 2016-17, as outlined at annex 1.

4.2 The one-off funding of £50k allocated from the remaining funding of the 2016-17 DSG blocks was dealt with outside the 2016-17 funding model and therefore no adjustment to the top-up rate is required.

4.3 Release of 2012-13 remaining DSG balances - At Schools Forum meeting on 12 January 2017 it was agreed that DSG balances remaining from 2012-13 should be released. These balances relate to all sectors (schools and academies, special schools and nursery providers). The special schools element is approximately £36k. It was further agreed that the allocation methodology will be the same as used to allocate one-off DSG funding in 2016-17.

4.4 The top up rates for 2017-18 reflect the top up rates used in 2016-17 includes the permanent allocations for CERA, remaining DSG funding for 2016-17 and a share of central overheads. The top up rate increased from £7,371 to £7,609. No change to the 2016-17 top-up rate is expected for 2017-18.

4.5 There are other factors that will determine the impact for individual schools, including the Minimum Funding Guarantee (MFG). The capping rate will change to mirror the amount needed to fund MFG. Should the MFG requirement fall, it will allow the capping rate to change accordingly and allow budget gains to flow through the model. For special schools MFG is fully funded by capping.

4.6 Statements of expected top up funding to be paid will be sent to special schools and special academies as soon as possible, and before end of February 2017.

4.7 High needs place funding for the financial year 2017-18 is based on High Needs place numbers published by the EFA and the latest information available from the SEN team. Academies will receive their place funding direct from the EFA and the authority will pass place funding to maintained special schools. Top up place numbers follow the same notification methodology with the majority of funding being passed to all special schools settings by the local authority. The payment of top-up funding of places in special schools and special academies commissioned by LAs other than Oxfordshire will be met by the commissioning authority.

4.8 Composite places are calculated for the 2017-18 financial year - translating academic years to financial years on the basis of 5/12 (April to August), 7/12 (September to March) for pre-16, and 4/12, 8/12 for post-16.

4.9 Top up funding for Oxfordshire pupils will be paid to special academies on a monthly basis as in previous years, and funding transferred to maintained special schools as an internal recharge in SAP. The amount payable for all schools and academies will be based on an initial estimate of the Oxfordshire pupils attending during the financial year. If the actual number of children is significantly different the top up funding will be adjusted in year on the basis of pupil information submitted by special schools and special academies to the Special Educational Needs (SEN) team. As in previous years, special schools and special academies will be expected to agree top up funding with other local authorities for out of county pupils on roll and be responsible for the collection of the funding.

4.10 The place funding rate remains at £10,000 per place. The Oxfordshire top up per pupil rate is expected to remain at £7,609 (the rate for 2016-17). Allocation of funding for other elements for each school, including Premises, Split Sites, Hydrotherapy Pools and Deprivation, will be allocated in line with the principles agreed for 2014-15. Annex 1 outlines the main principles used.

4.11 Initial work on special schools funding allocations for 2017-18, subject to final place numbers being agreed with individual special schools and special academies indicate that there is a financial pressure, resulting from the full year effect of September 2016 increase in place numbers, part year effect of anticipated September 2017 increase in place numbers and change to MFG. The financial pressure will be off-set in part by the previously agreed Schools Forum decision to pass Early Years funding relating to Early Years pupils in special schools, while LA officers are working to re-align High Needs budgets to address the balance required. It is not expected that the top-up rate referred to early will be reduced.

5. Oxfordshire Hospital School

5.1 The funding model remains unchanged from that put in place from 2015-16. The local authority's High Needs Block within Dedicated Schools Grant includes an allocation for Oxfordshire Hospital School. This funding £1.6m will be passed to the school.

6. Cessation¹ of Education Services Grant (ESG) General Rate Funding²

6.1 The ESG general funding rate is £77 per pupil for mainstream schools and £327.25 per weighted pupil³ for special schools and is currently paid to the local authority (LA). This is paid directly to academies to fund duties that academies are responsible for delivering for their pupils, and to LAs for the duties that LAs deliver for maintained pupils.

¹ Further detail can be found in sections 5 to 7 of Schools Forum paper 6 presented to meeting on 12 January 2017

² The retention of the Retained duties element of ESG (£15 per pupil) was agreed at meeting of 12 January 2017. ESG Retained duties funding is dealt with in totality through the Schools Block of DSG

³ Weighting as specified in ESG operational guidance

6.2 As special academies receive their equivalent funding directly, decisions linked to this funding are for maintained schools members of the Schools Forum only.

6.3 For 2017-18, The DfE has announced that Local Authorities will receive a transitional grant for General Rate ESG for April to August 2017. However, as reported to Schools Forum on 12 January 2017 (see section 6 and specifically section 7 of paper 6), expenditure on ESG services exceeds the grant by an equivalent (approximately) £8.10 per pupil. A decision is therefore required from maintained school representatives to allow the LA to retain £6k from maintained special schools. Schools Forum has already agreed that the LA can retain appropriate amounts from maintained schools.

Link to Schools Forum document below:

<https://www.oxfordshire.gov.uk/cms/content/oxfordshire-schools-forum>

The LA is seeking to request that the ESG amount retained from special schools is based on the same per pupil amount as maintained primary and secondary schools and not according to the weighting outlined in paragraph 6.1 above.

7. Meadowbrook College⁴ (Pupil Referral Unit)

7.1 The funding model is unchanged from that agreed for 2015-16 and 2016-17. This includes core and preventative alternative provision to meet LA statutory responsibilities for pupils who have been excluded from mainstream schools and pupils who can no longer be maintained in a mainstream setting.

7.2 The preventative provision is short term alternative provision (AP) for pupils who are in a mainstream setting but at serious risk of either being permanently excluded or not being successfully maintained in their mainstream setting.

7.3 The Meadowbrook College Academy also generates income separately from specific AP courses and individual pupil provision which is fully paid for by schools or others commissioning the provision.

7.4 The local authority expects to commission a similar level of provision in 2017-18 to that of 2016-17. The split between place and top up funding changed following instructions from the DfE, increasing the rate to £10,000 per place. The same instructions made it clear in its operational guidance that the change in place funding would not mean an overall increase in funding with the top up funding being reduced accordingly.

⁴ Meadowbrook College is part of the Radcliffe Academy Trust

The anticipated funding streams for 2017-18 are expected to be £1.060m place funding (to be received directly from the EFA), and the balance, £1.197m, of the available budget being allocated as top up funding. The PRU will also administer the Next Steps provision, valued at £0.33m on behalf of the local authority. The overall funding allocation to the PRU from the local authority (and EFA) is estimated at £2.587m for the financial year 2017-18..

7.5 The EFA will pay the place funding direct to the Radcliffe Academy Trust. The local authority will pay the top up funding to the academy on a monthly basis, in a similar way to the arrangements for special academies.

8. Financial and Staff Implications - centrally and for schools

The focus of this paper is finance so no further comment is included.

9. Equal Opportunities Implications and Impact on Equality Groups

Where the LA continues to have discretion in the funding decisions made, it will continue to give priority to the needs of vulnerable pupils and the Council's aims of raising attainment, narrowing the attainment gap and safeguarding children.

10. Conclusions

Schools Forum is asked to endorse the recommendations included in Section 3.

11. Future Review by Forum in: 1 year

12. Contact Details of Lead Officer/Author

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1. Principles of Special School Funding Model

Agreed and implemented 2014-15 and continued into 2017-18

- 1.1 The original intended approach for 2014-15 was to review the profile of pupils across each of the special schools and special academies and develop a banding system reflecting different levels of support required for pupils. This proved difficult to achieve and special school and special academy headteachers asked LA officers to investigate a modelling approach which gave schools the same level of top up per pupil, but differentiates on some other costs relating to each school such as premises factors and pupils such as deprivation.
- 1.2 The level of top up for pupils in each school would therefore be different, mainly because of premises and deprivation differences. The rationale for having the same average top up per pupil in respect of non-premises costs is based on the following:
- all schools have pupils with a wide range of needs, and on average it is expected that this approach will provide each school with a reasonable distribution of the resources available
 - schools are concerned about the time needed to develop and moderate the pupil profiling approach and the accuracy / objectivity of such an approach
 - it is expected that the top up funding available overall is unlikely to increase and the available resources will need to be divided among all special schools and special academies as fairly as possible
 - schools will have more predictability and stability in their budgets which should help them plan support for the different needs of all of their pupils
 - schools can trial the pupil profiling tool to determine low, medium and high cost students if they feel this would be helpful to, for example, calculate the level of top up funding to be claimed from other authorities
- 1.3 The remodelling resulted in significant winners and losers, and DSG grant conditions provide for Minimum Funding Guarantee (MFG) protection for special school top up funding in a similar way as for primary and secondary schools. The operational guidance provides some more information about the principles to be applied but does not provide a formula that needs to be applied in the same way as for primary and secondary schools.

2. Detailed assumptions used in modelling

- 2.1 The residential allocation for Woodeaton Manor has been maintained at the same level as for prior years.
- 2.2 Premises allocations totalled approximately £1.1m in 2012-13 budgets. In the current model, about £1m has been allocated to special schools on the basis of available floor area information. As previously recommended by special school headteachers any remaining will be distributed via the pupil top up.
- 2.3 Split sites allocations were included in the modelling. Special school headteachers agreed which schools had additional sites and these were used to allocate the overall split site budget between schools. Special school headteachers recommended that the overall level of allocation should be maintained to ensure smaller schools such as Bishopswood have some protection. The total budget of approximately £112k is divided equally between the 4 schools identified as having an additional site, giving £28k each. Schools identified as having additional sites are as follows:
- John Watson
 - Springfield
 - Mabel Prichard
 - Bishopswood
- 2.4 A deprivation allocation totalling approximately £100k was divided between schools for 2014-15 on the basis of the latest available FSM Ever6 pupil numbers from the DfE used to allocate Deprivation Pupil Premium in 2013-14. This resulted in an allocation of approximately £305 per FSM Ever6 pupil. £305 per FSM Ever6 pupil was allocated for 2015-16 on the basis of updated information from the Deprivation Pupil Premium in 2014-15 to 2016-17, and the same approach is proposed for 2017-18.
- 2.5 Minimum Funding Guarantee (MFG) protection has been calculated at the DfE recommended rate of -1.5%. Again the capping of gains is calculated at a rate that fully funds the MFG total, as there is no additional funding to cover MFG outside the model.
- 2.6 Place funding for the academic year 2016-17 and 2017-18 is based on the latest information available from the LA's SEN team.
- 2.7 A small allocation was made for hydrotherapy pools in the revised modelling. Special school headteachers recommended that allocations were made to those schools that have a pool to maintain and that surface area / volume is taken account of in the allocations. Allocations were initially made to the following schools: Frank Wise, Springfield, Bardwell and Kingfisher. The historic information available indicates that the Kingfisher pool is approximately double the size of the pools at Frank Wise, Springfield and Bardwell, therefore the allocation to Kingfisher (£13k) is double that of the amount allocated to the other schools (£6.5k). Headteachers agreed that a smaller hydrotherapy pool at Bishopswood should also be included and £1k was therefore allocated in the model.

- 2.8 Outside of the model, funding for exceptional circumstances was proposed by Special School headteachers at £40,000 (reduced from £80,000 in 2013-14). headteachers are expected to plan and meet the range of needs in their school within the resources allocated. In exceptional circumstances, where a child's needs fall outside the range normally found in special schools, e.g. requiring 2:1 support for most of the time, a case for exceptional funding can be made.
- 2.9 The process for dealing with pupil numbers that differ from initial top up estimates is proposed to continue on the same basis as used for 2014-15 to 2016-17. An initial prudent estimate will be made of the number of Oxfordshire pupils in each special school and special academy for 2017-18 and planned regular top up payments for the financial year will be based on these numbers. If the actual number of Oxfordshire children on roll exceeds those commissioned then Oxfordshire will fund the full costs from the month in which the child starts.