

DECISION-MAKER:	CABINET MEMBER FOR CHILDREN'S SERVICES		
SUBJECT:	IMPLEMENTATION OF THE PROPOSED SPECIAL SCHOOLS, UNITS AND PUPIL REFERRAL UNIT FUNDING FORMULAS FOR 2013-14		
DATE OF DECISION:	19 MARCH 2013		
REPORT OF:	HEAD OF CHILDREN AND YOUNG PEOPLE STRATEGIC COMMISSIONING, EDUCATION AND INCLUSION		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY			
None			

BRIEF SUMMARY

The Department for Education (DfE) has notified all local authorities of its intention to reform school funding with effect from 2013-14. Special schools, special units in Primary and Secondary schools and Pupil Referral Units (PRUs) will no longer receive their funding under the previous local formula but instead funding will be based on a new "place plus" basis; the objective of which is to create a more simple, consistent and transparent funding system.

RECOMMENDATIONS:

- (i) To approve the implementation of the new Southampton funding formula for special schools, special units and the Pupil Referral Unit with effect from 1 April 2013.

REASONS FOR REPORT RECOMMENDATIONS

1. The Department for Education has introduced new regulations to introduce school funding reform from April 2013. These require local authorities to develop a new funding formula for special schools, special units and PRUs to be funded from the High Needs Block of the Dedicated Schools Grant.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. All funding options were taken to the Schools Forum and a working group of head teachers and officers was set up. A number of different options were modelled and various alternatives were considered. Whilst these proposals are based on the recommendations of the Schools Forum, the final decision on the new funding formula lies with the Local Authority.

DETAIL (Including consultation carried out)

3. Special schools and units

From April 2013, special schools will be funded on the basis of a flat (Department for Education defined) £10,000 per place plus a per pupil top-up. This is a major change to the current system where special schools have stability of funding per place. From next April, schools will only receive top-up funding for the actual numbers of pupils in their school. The DfE guidance recommends the use of a banded framework and it is proposed to use Southampton's current framework. The proposed framework has three place types for each school:

- Band 1
- Band 2 (1.5 x Band 1)
- Band 3 (2 x Band 1)

4. Funding will be based on the 2012-13 budget for each school plus new places, in order to avoid undue turbulence between schools.

5. In order to assess how much per-pupil-top-up is to be paid, each pupil has been assigned into one of the three Bands (special unit pupils are all assumed to be in Band 1). The Special Headteachers have undertaken an audit to do this, moderated by a Senior Educational Psychologist and SEND inspector.

6. New pupils will be assigned a place type by the Children and Young People's Development Service (CYPDS) Decision Panel, as part of the process of finalising the statement and agreeing provision. Special Headteachers have requested that this is dealt with separately from the general Panel discussions. This will be trialled in the summer term. Each pupil's place type can be reviewed as part of the annual review to ensure that it is still relevant.

7. Because special schools and units will be partially funded on the basis of pupil numbers, this will disadvantage schools that traditionally start with low numbers of pupils in September but build up to full complement during the academic year. As a response to this position,, it is proposed to introduce a vacancy factor which would increase a school's top-up funding to compensate for low numbers in the autumn term.

8. Pupil Referral Unit

The PRU will be receiving a delegated budget for the first time in 2013-14, funded from the High Needs Block and payments from schools. The level of budget they will need will include all services delegated to other schools including finance, payroll, HR and ICT. Funding has been reworked as follows in line with DfE regulations:

- The PRU will be funded for 160 places.
- Each place will attract a base level of funding of £8,000 from the High Needs Block.

Top-up funding per pupil will be paid by the commissioner of the place (either the local authority or a school) on the basis of three place types – Band 1, 2 and 3.

9. It is proposed that top-up charges for placing pupils will be based on:
- Band 1 Primary placement (20 places at £100 per week)
 - Band 2 Secondary placement (110 places at £135 per week)
 - Band 3 Alternative Pathways placement (30 places at £16,439 per year)
10. Indicative funding amounts per Band are shown in Appendix A.

RESOURCE IMPLICATIONS

Capital/Revenue

11. Special School and the Pupil Referral Unit are funded from the High Needs Block of the Dedicated Schools Grant.

Property/Other

12. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

13. The new Schools and Early Years Finance (England) Regulations 2013 and the Education Act 2010-12 direct the changes made by the new Schools Funding Reforms 2013-14.

Other Legal Implications:

14. None

POLICY FRAMEWORK IMPLICATIONS

15. The proposals set out in the report are consistent with the strategies and policy objectives set out in the Children and Young People's Plan (CYPP).

KEY DECISION Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Appendices

1.	Proposed special schools, special units and PRU bands 2013-14
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Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at: - None

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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