



**Walsall Council**

## **Walsall Children's Services**

<b>Report to:</b>	Schools Forum
<b>Date:</b>	9 <sup>th</sup> December 2014
<b>Subject:</b>	2015-16 Funding formula for Special schools and Early Years
<b>Contact:</b>	Dawn Morris <a href="mailto:morrisd@walsall.gov.uk">morrisd@walsall.gov.uk</a>
<b>Purpose of the report:</b>	To provide details of the funding methodology to be used in the Walsall Special Schools Funding Formula 2015-16 and the Early Years Single Funding Formula 2015-16.
<b>Recommendation:</b>	To support the funding methodology for special schools and early years settings for 2015/16 as detailed in the report.

## Specials Schools and Early Years Single Funding Formulae

### 1. Special Schools Funding Formula:

- 1.1 In March 2014 the School Forum supported the proposed special schools funding formula to be introduced for 2014-15 following the special schools funding review.
- 1.2 New high needs funding arrangements require local authorities to fund their special schools under a “place plus” model. The model comprising of place funding, which is allocated on the basis of the number of places commissioned by the local authority for the financial year and top-up funding which is pupil specific funding to be paid in “real-time” for filled places each week.
- 1.3 Funding regulations stipulated the value of place funding must be £10,000 per commissioned place and this value remains unchanged for 2015-16. This element of funding is guaranteed and is not subject to change during the year.
- 1.4 The locally agreed matrix bands are the basis of top-up funding and the type and number of matrix bands will also be unchanged from 2014-15 and special schools will be funded on the basis of their primary need. There are 10 top-up values within the matrix, one for each band and for 2015-16 these have yet to be determined but will be published in the spring term.
- 1.5 Forum are reminded that the new funding method for specials schools included an element of transition to provide some support to specials schools who may experience some difficulty moving from the previous funding mechanism used in 2013-14 to the new funding method. This transition element is in addition to the minimum funding guarantee (MFG).
- 1.6 **Commissioned Places** – The DfE have indicated that local authorities will be notified of their approved number of high needs places for 2015-16, to be funded through the Dedicated Schools Grant (DSG), just before the end of the autumn term.
- 1.7 This number will be the total of funded places available to the LA for all high need settings i.e. additionally resourced provision, independent specials schools, post 16 high needs provision in addition to our special schools.
- 1.8 Once the figures are confirmed the SEN team will consider the number of places needed for the summer term 2015 and changes for the 2015-16 academic year.
- 1.9 The number of places commissioned from each special school will then be annualised across the financial year.
- 1.10 **Top-up funding** - As indicated above top-up funding is to be paid in real-time and the rates published in the spring term will be allocated on the basis of a weekly rate – the annual rate being divided by 52 weeks.

Summary of Special Schools 2015-16 Matrix Bands & Funding method	Band 1 funding – primary need	
	Band 2 funding – reflects more complex need	
<b>BESD – Primary</b>	£10,000 per place plus top-up	£10,000 per place plus top-up
<b>BESD – Secondary</b>	£10,000 per place plus top-up	£10,000 per place plus top-up
<b>SLD – Primary</b>	£10,000 per place plus top-up	£10,000 per place plus top-up
<b>SLD – Secondary</b>	£10,000 per place plus top-up	£10,000 per place plus top-up
<b>MLD – Secondary</b>	£10,000 per place plus top-up	£10,000 per place plus top-up

- 1.11 Allocation of funding – The number of commissioned places at each special school is multiplied by the £10,000 per place funding figure and this element of a special schools funding is guaranteed and not subject to change.
- 1.12 Weekly Top-up funding is calculated for actual pupils on roll using the matrix band appropriate for the school and then band level appropriate for identified needs.
- 1.13 In addition, the funding reforms link with wider SEN reforms in that they allow the concept of “exceptional support” – which means that where the new single assessment identifies need/provision above the published special school top-up rates, further funding can be accessed. Exceptional support funding will be linked to an Education Health Care Plan (EHCP) and will be time limited.

## 2 Early Years Single Funding Formula:

- 2.1 The Early Years Single Funding Formula (EYSFF) is the funding formula used to delegate funding to all early years settings – maintained and academy nursery classes and schools plus settings in the private, voluntary and independent sector where registered on the authority’s Early Years Directory.
- 2.2 The funding is via a participation model based on the hours of provision made on a termly basis. Funding entitlement for 3 and 4 year olds is to a maximum of 570 hours across 38 weeks from the term following a child’s third birthday.
- 2.3 Parents can choose to take up the entitlement in a flexible pattern e.g. 12.5 hours per week rather than 15 hours or take up a “stretched offer” i.e. a maximum of 12.5 hours over more than 38 weeks. This latter pattern is currently only being taken up by parents using setting in the private & voluntary sector.
- 2.4 The EYSFF comprises largely of hourly funding based on pupil participation however regulation requires the EYSFF includes a supplement for deprivation. The basis of the supplement is that a notional number of disadvantaged pupils is calculated by taking the average IDACI scores of pupils in a setting in the summer term in the previous year. The notional number of pupils is then multiplied by a unit of resource.
- 2.5 In addition stand alone nursery schools have two further supplements – a lump sum element and business rates factor.
- 2.6 School Funding Regulations require that all settings are notified, prior to the beginning of the financial year, of their budget share allocation based on estimated pupil numbers / hours, which must then be reconciled to actual provision made each term. Therefore hourly funding is subject to change.
- 2.7 Supplements that feature in the EYSFF are not subject to change.
- 2.8 **Funding Rates** – Although the hourly funding rates for 2015-16 have yet to be confirmed, the EYSFF methodology will remain unchanged for the 2015-16 financial year. The 2015-16 rates will be published in the spring term.
- 2.9 The hourly rates vary depending on the early years setting in which provision is being made. Stand-alone Nursery schools attract the highest hourly rate as the EYSFF is their only source of income.
- 2.10 Two differing hourly rates apply in nursery classes dependent on their published capacity – the varying rates apply to nursery classes with a 26 pte place capacity or nursery classes with a published capacity of more than 26 pte places.

- 2.11 For the private & voluntary sector there are three rates applied – an independent school rate, a private & voluntary provider rate, which includes Children's Centres, and a Childminder rate.
- 2.12 The use of differing rates reflects the varying costs incurred in undertaking the free entitlement in the different types of setting, for example: staffing costs in the private sector are lower than in schools; nursery schools must meet the full cost of a head teacher from their funding whereas for nursery classes in primary schools the funding only contributes to the head teacher costs.
- 2.13 Pupil data - The pupil estimates used to make indicative allocations for 2015-16 will be taken from lagged data i.e. May '14 census will be used for the summer term indicative allocations, October '13 census will be used for the autumn indicative allocations and January '15 census for the spring term 2016.
- 2.13 Once the actual census data becomes available each school's indicative data will be compared to actual numbers and the reconciliation process will calculate the upwards or downwards adjustment needed to indicative allocations.

**For illustrative purposes the table below identifies the EYSFF as it was applied in 2014-2015**

Setting Type	Hourly Rate 2014-15 **	Deprivation Supplement £ per notional Disadvantaged pte per annum
Nursery Classes < 26 pte	£4.12	£342.33
Nursery Classes > 26 pte	£3.06	£342.33
Private & Voluntary	£3.82	£342.33
Independent	£3.79	£342.33
Childminders	£3.98	£342.33

\*\* For settings the hourly rates used in 2014-15 were enhanced by the distribution of the one-off surplus funding from 2013-14.

	Hourly Rate 2014-15 **	Deprivation Supplement £ per notional Disadvantaged pte per annum	Lump Sum **	Business rates
Nursery Schools	£4.98	£342.33	£89,120	Equal to rates liability

\*\* As with other settings the hourly rate used in 2014-15 was enhanced by the distribution of the one-off surplus funding from 2013-14, in addition nursery schools also received a single allocation of £4,500 from the surplus.

### 3. Recommendation

- 3.1 To note the contents of the report.
- 3.2 To support the funding methodology for special schools and early years settings for 2015/16 as detailed in the report.