

Report to: **Cabinet**

Date: **27 January 2004**

By: **Director of Education and Libraries**

Title of report: **Schools funding formula**

Purpose of report: **To seek the Cabinet's approval to a change in the funding formula for special units in mainstream schools**

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## **RECOMMENDATION**

**The Cabinet is recommended to approve the change in the funding formula for special units in mainstream schools**

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### **1. Financial Appraisal**

1.1 There are no additional costs arising from the proposed change in the funding formula. The costs arising from the net adjustment to the number of funded places will be met from the proposed 2004/05 budget.

### **2. Supporting Information**

2.1 The East Sussex funding formula for schools has been the subject of a major review over the last three years with significant changes in primary, secondary and special schools elements of the formula. Funding for statements in mainstream schools and for special schools is now based on a matrix which is used to assess the different levels of severity of different types of need.

2.2 The only part of the formula that has not been reviewed is that for the eight special units in mainstream schools. These units have continued to be funded on a version of the old special schools formula and it is proposed that the units should move to a matrix-based formula from April 2004 using the existing matrix values for statements and special schools.

2.3 The proposal is that there should be two main elements to the formula for special units:

- (i) place led funding, with allocations of places across Bands A-D of the matrix which reflect the profile of need which the unit is expected to meet
- (ii) a flat rate, which recognises the fixed costs which every unit has, in particular in relation to leadership and management costs; the flat rate should be the same for all units.

Where this is already the case, schools will continue to receive Age Weighted Pupil Units for pupils formally on their roll. Additional premises funding is reflected in the calculation of the whole school's budget share.

2.4. All schools have been consulted on this proposal and the schools concerned have also been consulted separately on the proposed number of places for 2004/05 and 2005/06. The financial effect of the proposal with a comparison with 2003/04 is attached as an appendix to this report. This comparison is at 2003/04 budget prices and the value of matrix bands and the flat rate will be adjusted for pay and price increases in 2004/05.

2.5. Only 21 responses have been received from schools and 20 (95%) of these support the proposal. The one school that did not give its support does not have a special unit and appears to have misunderstood the comparative table. It commented that the schools making specialist

provision would be penalised financially while in fact only one school would actually lose funding and this is entirely due to a reduction in the number of places to reflect the actual number of pupils allocated to the unit concerned.

2.6 The Schools Forum has also been consulted on the proposals and given its support for the change.

### **3 Conclusion and reason for recommendations**

3.1 It is recommended that approval be given to the proposed change in the funding formula for special units in mainstream schools in order to provide a consistent basis of funding for pupils with statements of special educational needs across all types of maintained provision. The common approach to funding special schools, units, facilities and statements this creates will also provide a sounder basis on which future reviews of special educational provision can be carried out.

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BACKGROUND DOCUMENTS  
Consultation document Circular 236/03  
Response forms to consultation

C27Jan2004Schoolsfundingformula.doc