

Consultation on the Torbay Funding Formula for Special Schools and the Pupil Referral Unit

1. Introduction

The DfE have issued instructions that all local authorities must standardise the way in which special schools and pupil referral units (PRU) are funded across England. This will involve a significant change in methodology for funding special schools and the PRU. To inform this process a Special Formula and Review group (SFAR) was formed and thanks goes to June Palmer, Mike Lock, James Evans and Roger Hughes for their input.

2. Current funding formula for special schools

The three special schools in Torbay are currently funded via the Torbay Funding Formula for Special Schools which is part of the Torbay Scheme for Financing Special Schools.

Copies of the complete scheme can be accessed at:-

<http://www.torbay.gov.uk/rd-financingscheme-specialschools.pdf>

The Formula

The formula is made up of several sub-formulae with a variety of data and factors in each, which result in unique effects for each school.

The sub-formulae use a combination of base data, e.g. place numbers or buildings floor area, and block sums e.g. Headteacher salary ranges.

The range of sub-formulae are:

Place led Funding

Pupil led Funding

Fixed Costs

Stepped Fixed Costs

Premises and Facilities

Free School Meals

School Specific Allocations

A number of former standards fund grants such as Extended schools- subsidy,

School Development Grant and School Standards Grant

Activity Led Resourcing (ALR)

The method of identifying individual school levels of funding for Place led and Pupil led allocation sub-formulae, is arrived at by using an approach known as Activity Led Resourcing (ALR). However, it is not useful or easily applicable to other sub-formulae and therefore only used for Place led and Pupil led sub-formulae.

Place Led funding

This sub-formula uses the ALR approach to identify the weighted units for each category of special need, i.e.

Autism

BESD 1 (Behavioural, Emotional and Social Difficulties)

BESD 2 (Behavioural, Emotional and Social Difficulties)

Hearing Impaired

MLD 1 (Moderate Learning Difficulties – level 1)

MLD 2 (Moderate Learning Difficulties – level 2)

MLD 3 (Moderate Learning Difficulties – level 3)

PD (Physical Difficulties)

PMLD (Physical and Medical Difficulties)

SLD (Severe Learning Difficulties)

SpecLD (Specific Learning Difficulties)

SD (Speech Disorders)

Visually Impaired

Pupil Led funding

This sub-formula uses the ALR approach to identify the weighted units for each school phase, i.e. KS1 – KS4.

Fixed and Stepped Fixed Costs

These sub-formulae are required because some resource needs cannot be met through reliance on place and pupil led funding. Every school requires sufficient funds guaranteed for particular purposes e.g. the employment of a Headteacher or a school administrative officer. This sub-formula works to guarantee certain funding elements to all schools taking into account their group size.

Premises & Facilities Sub-formula

This sub-formula uses objective data and factors to distribute funds for the responsibility of maintaining the provision of premises and facilities.

Free School Meals and Lump Sum Sub-Formula

This sub formula identifies that element of funding that is required to cover the cost of providing the Schools Meals Service and associated costs.

School Specific Allocations Sub-formula

This sub-formula is required for school specific lump sums that arise because of the special nature of the pupils at each school. Resources for these needs cannot be met through reliance on place or pupil number funding, for example the costs of running a hydro therapy pool.

3. Proposed changes

The DfE have issued guidance on simplifying the way funding is distributed to special schools. There can no longer be a series of sub formulae. There can only be two elements to the formula.

The funding formula will comprise of two elements.

1. A flat rate of £10,000 per pupil place commissioned in each special school.
2. A per-pupil top up rate that is allocated to the school for each individual pupil attending the school.

In Torbay we have determined the overall funding cost of an individual school place by taking the ALR Place led value and then adding to that a school specific sum. The school specific sum is calculated by taking the total of all the non-place led funding a school receives and divided by the number of pupil places commissioned at the school in 2012/13. This gives a separate top up value for each special school as it is based on their specific costs. This top up recognises the differences in sizes and circumstances of the three special schools. The top up funding is £4,547 for Combe Pafford, £5,297 for Mayfield and £7,557 for Torbay school. Appendix 1 shows how the ALR funding added to the school specific top up costs is translated into a £10k per place plus individual place top up rate.

This approach recognises the basic core of the ALR methodology which determines the majority of the pupil place led funding, for example the ALR includes funding led by the pupil teacher ratio. This approach also recognises the different costs for schools of different sizes and with different particular circumstances. For example, the additional cost of running a small school are recognised in the individual school top up. It was felt that the current ALR methodology and its resulting funding per place is robust and fit for purpose. Therefore the new proposals have ensured that overall funding per place uses the ALR funding values as one of the elements in determining the overall £10k plus top up values. This approach also ensures that there is reduced turbulence in the move from the old formula in 2012/13 to the new formula in 2013/14 if a school has the same number of places commissioned and the same number of pupil attending the school.

This change in approach will change the funding for special schools. All schools will receive £10k per place but there will be different top up funding allocations for the same category of pupil attending different schools because of the differences between schools. In appendix 2 it can be seen that the same category of pupils e.g BESD will receive different levels of top up according to which school they attend. Whilst the same assumptions have been made through the ALR methodology about the needs of the pupils the top up is different as the individual schools top up also impacts upon the overall cost of the placement. This is because the top up reflects the different circumstances and costs of the three schools such as size and site.

The LA is the 'commissioner' of places in the special schools and therefore an audit of the numbers and categories of places purchased will need to be completed regularly with the schools, probably annually in the first instance.

The DfE have stated that LAs can no longer fund 'ghost places' at special schools. Schools will receive the £10k per commissioned place funding in their April allocation but the per pupil top up will be allocated according to the number on roll so any unfilled spaces will result in the school not receiving the per pupil top up funding.

The DfE recognise that any formula changes will distribute funding in a different way and create 'winners' and 'losers'. Therefore they have set the Minimum Funding Guarantee (MFG) at -1.5% based on comparative year on year per pupil funding. The MFG compares levels of per pupil funding from one year to the next. This does not mean that a school's overall budget can't be more than -1.5% lower if the pupil numbers are lower in 2013/14 than 2012/13. If pupil numbers are lower than last year this will not be protected via MFG. For MFG calculation purposes the 2012/13 pupil numbers will be the total number of places bought at the three schools. This figure is used as all these places were fully funded in 2012/13. If the actual numbers on roll were used this would result in the school specific top up place rate being artificially inflated at those schools which had fewer pupils on roll than places bought.

Appendix 3 shows the likely mitigating effects of MFG assuming pupil numbers in 2013/14 are lower than 2012/13.

Special schools initial funding allocation in April will be based upon the number of places commissioned multiplied by £10k and then the numbers of individual pupil top up funding according to the actual number of pupils on roll. As pupils join or leave the school during the school year appropriate allocations of additional pro rata individual per pupil top ups will be allocated to the schools funding allocation or deducted from it.

Any funding that special schools receive for outreach or specific statementing allocations will be from the High Needs Block and will be outside the overall funding formula.

The Pupil Referral Unit (PRU)

Pupil referral units have not in the past had to have formula allocations. In Torbay the PRU has had an allocation broadly based upon the Torbay school BESD1 per pupil place costs with an allocation for provision for specific costs that result from a multi base provision.

As from the 1st April all PRUs must have a formula allocation similar to that for special schools.

The two elements of the PRU funding formula will be a £8k per commissioned place rate plus a specific per place top up. The per place top up has been calculated in the

same way as special schools. All the non per pupil place funding has been totalled and then divided by the number of places bought at the PRU in 2012/13. This gives a per pupil top up allocated of £9,352 in addition to the £8k per place for those pupils attending the PRU.

Appendix 4 shows how this works if the number of pupils at the PRU is at or below the number of places commissioned by the Local Authority.

Responding to consultation

Please reply using the separate consultation sheet either by e-mail to Education.Finance@Torbay.gov.uk or on paper to Children's Services Finance Team, Tor Hill House, Floor 2 South, Torquay by 12 noon on Friday 5th October.

Thank you.

THIS IS FOR ILLUSTRATION ONLY, THESE FIGURES WILL CHANGE ONCE NUMBER OF FUNDED PLACES ARE AGREED

Draft Special School formula using 13/14 School Funding Reform if places are full

| COMBE PAFFORD | Number of Places | Number of Pupils | ALR Funding Per Place £ | Top-up per Place £ | Total per Pupil £ | Additional Top-up to Ensure £10k £ | Total Top-up per pupil £ (col 5+6 less £10k.) | Base Funding £ | Top-up Funding £ | Total Funding £ |
|----------------|------------------|------------------|-------------------------|--------------------|-------------------|------------------------------------|---|------------------|------------------|------------------|
| Type of Places | col 1. | col 2. | col 3. | col 4. | col 5 | col 6 | (col 5+6 less £10k.) | £ | £ | £ |
| Autism | 24 | 24 | 9,517 | 4,547 | 14,064 | 0 | 4,064 | 240,000 | 97,537 | 337,537 |
| BESD 1 | 9 | 9 | 10,021 | 4,547 | 14,568 | 0 | 4,568 | 90,000 | 41,112 | 131,112 |
| Hearing | 1 | 1 | 9,800 | 4,547 | 14,347 | 0 | 4,347 | 10,000 | 4,347 | 14,347 |
| MLD 1 | 37 | 37 | 5,381 | 4,547 | 9,928 | 72 | 0 | 370,000 | 0 | 370,000 |
| MLD 2 | 36 | 36 | 6,150 | 4,547 | 10,697 | 0 | 697 | 360,000 | 25,094 | 385,094 |
| MLD 3 | 15 | 15 | 7,175 | 4,547 | 11,722 | 0 | 1,722 | 150,000 | 25,831 | 175,831 |
| PD | 25 | 25 | 9,517 | 4,547 | 14,064 | 0 | 4,064 | 250,000 | 101,601 | 351,601 |
| SLD | 2 | 2 | 9,517 | 4,547 | 14,064 | 0 | 4,064 | 20,000 | 8,128 | 28,128 |
| SpecLD | 12 | 12 | 7,120 | 4,547 | 11,667 | 0 | 1,667 | 120,000 | 20,005 | 140,005 |
| SD | 18 | 18 | 9,369 | 4,547 | 13,916 | 0 | 3,916 | 180,000 | 70,489 | 250,489 |
| Visual | 3 | 3 | 12,588 | 4,547 | 17,135 | 0 | 7,135 | 30,000 | 21,405 | 51,405 |
| Total | 182 | 182 | | 50,018 | 146,173 | | 36,245 | 1,820,000 | 415,550 | 2,235,550 |

| | |
|--|-------------|
| A. Initial 9th March 12 allocation (excluding Pupil Premium, Statementing & Outreach) | 2,232,888 |
| B. Place Led Funding allocated using ALR methodology (full year equivalent) | (1,405,324) |
| C. Top-up funding (sum of A and B) | 827,564 |
| D. Funding Top-up per place (C divided by no of places) | 4,547 |
| E. Variation between initial 9th March allocation & new draft formula - Gain / (Loss) (Total Funding col 7 less A above) | 2,662 |

| MAYFIELD | Number of Places | Number of Pupils | ALR Funding Per Place £ | Top-up per Place £ | Total per Pupil £ | Additional Top-up to Ensure £10k £ | Total Top-up per pupil £ (col 5+6 less £10k.) | Base Funding £ | Top-up Funding £ | Total Funding £ |
|----------------|------------------|------------------|-------------------------|--------------------|-------------------|------------------------------------|---|------------------|------------------|------------------|
| Type of Places | col 1. | col 2. | col 3. | col 4. | col 5 | col 6 | (col 5+6 less £10k.) | £ | £ | £ |
| PMLD | 55 | 55 | 15,002 | 5,297 | 20,299 | 0 | 10,299 | 550,000 | 566,449 | 1,116,449 |
| SLD | 75 | 75 | 9,517 | 5,297 | 14,814 | 0 | 4,814 | 750,000 | 361,056 | 1,111,056 |
| Total | 130 | 130 | | 10,594 | 35,113 | | 15,113 | 1,300,000 | 927,505 | 2,227,505 |

| | |
|--|-------------|
| A. Initial 9th March 12 allocation (excluding Pupil Premium, Statementing & Outreach) | 2,227,505 |
| B. Place Led Funding allocated using ALR methodology (full year equivalent) | (1,538,885) |
| C. Top-up funding (sum of A and B) | 688,620 |
| D. Funding Top-up per place (C divided by no of places) | 5,297 |
| E. Variation between initial 9th March allocation & new draft formula - Gain / (Loss) (Total Funding col 7 less A above) | 0 |

| TORBAY | Number of Places | Number of Pupils | ALR Funding Per Place £ | Top-up per Place £ | Total per Pupil £ | Additional Top-up to Ensure £10k £ | Total Top-up per pupil £ (col 5+6 less £10k.) | Base Funding £ | Top-up Funding £ | Total Funding £ |
|----------------|------------------|------------------|-------------------------|--------------------|-------------------|------------------------------------|---|----------------|------------------|------------------|
| Type of Places | col 1. | col 2. | col 3. | col 4. | col 5 | col 6 | (col 5+6 less £10k.) | £ | £ | £ |
| BESD1 | 39 | 39 | 10,021 | 7,557 | 17,578 | 0 | 7,578 | 390,000 | 295,525 | 685,525 |
| BESD2 | 17 | 17 | 17,150 | 7,557 | 24,707 | 0 | 14,707 | 170,000 | 250,012 | 420,012 |
| Total | 56 | 56 | | 15,113 | 42,284 | | 22,284 | 560,000 | 545,537 | 1,105,537 |

| | |
|--|-----------|
| A. Initial 9th March 12 allocation (excluding Pupil Premium, Statementing & Outreach) | 1,105,537 |
| B. Place Led Funding allocated using ALR methodology (full year equivalent) | (682,369) |
| C. Top-up funding (sum of A and B) | 423,168 |
| D. Funding Top-up per place (C divided by no of places) | 7,557 |
| E. Variation between initial 9th March allocation & new draft formula - Gain / (Loss) (Total Funding col 7 less A above) | 0 |

APPENDIX 2

Shows the varying top-up per pupil above £10k
across the 3 special schools

| Type of Place | Combe Pafford £ | Mayfield £ | Torbay School £ |
|---------------|--------------------|---------------|--------------------|
| Autism | 4,064 | | |
| BESD 1 | 4,568 | | 7,578 |
| BESD 2 | | | 14,707 |
| Hearing | 4,347 | | |
| MLD 1 | 72 | | |
| MLD 2 | 697 | | |
| MLD 3 | 1,722 | | |
| PD | 4,064 | | |
| SLD | 4,064 | 4,814 | |
| SpecLD | 1,667 | | |
| SD | 3,916 | | |
| Visual | 7,135 | | |
| PMLD | | 10,299 | |

APPENDIX 3

THIS IS FOR ILLUSTRATION ONLY, THESE FIGURES WILL CHANGE ONCE NUMBER OF PLACES AND PUPILS ARE KNOWN

Draft Special School formula using 13/14 School Funding Reform if places are not full

| Combe Pafford | Number of Places | Number of Pupils | ALR Funding Per Place | Top-up per Place | Total per Pupil | Additional Top-up to Ensure £10k | Top-up per pupil | Base Funding | Top-up Funding | Total Funding |
|----------------------|------------------|------------------|-----------------------|------------------|-----------------|----------------------------------|-------------------------|------------------|----------------|------------------|
| Type of Places | col 1. | col 2. | £ col 3. | £ col 4. | £ col 5 | £ col 6 | £ (col 5 + 6 less £10k) | £ | £ | £ col 7 |
| Combe Pafford | | | | | | | | | | |
| Autism | 24 | 25 | 9,517 | 4,547 | 14,064 | 0 | 4,064 | 240,000 | 101,601 | 341,601 |
| BESD 1 | 9 | 6 | 10,021 | 4,547 | 14,568 | 0 | 4,568 | 90,000 | 27,408 | 117,408 |
| Hearing | 1 | 1 | 9,800 | 4,547 | 14,347 | 0 | 4,347 | 10,000 | 4,347 | 14,347 |
| MLD 1 | 37 | 38 | 5,381 | 4,547 | 9,928 | 72 | 0 | 370,000 | 0 | 370,000 |
| MLD 2 | 36 | 36 | 6,150 | 4,547 | 10,697 | 0 | 697 | 360,000 | 25,094 | 385,094 |
| MLD 3 | 15 | 15 | 7,175 | 4,547 | 11,722 | 0 | 1,722 | 150,000 | 25,831 | 175,831 |
| PD | 25 | 13 | 9,517 | 4,547 | 14,064 | 0 | 4,064 | 250,000 | 52,833 | 302,833 |
| SLD | 2 | 0 | 9,517 | 4,547 | 14,064 | 0 | 4,064 | 20,000 | 0 | 20,000 |
| SpecLD | 12 | 7 | 7,120 | 4,547 | 11,667 | 0 | 1,667 | 120,000 | 11,669 | 131,669 |
| SD | 18 | 29 | 9,369 | 4,547 | 13,916 | 0 | 3,916 | 180,000 | 113,566 | 293,566 |
| Visual | 3 | 4 | 12,588 | 4,547 | 17,135 | 0 | 7,135 | 30,000 | 28,540 | 58,540 |
| Total | 182 | 174 | | 50,018 | 146,173 | | 36,245 | 1,820,000 | 390,889 | 2,210,889 |

| | |
|--|-------------|
| A. Initial 9th March 12 allocation (excluding Pupil Premium, Statementing & Outreach) | 2,232,888 |
| B. Place Led Funding allocated using ALR methodology (full year equivalent) | (1,405,324) |
| C. Top-up funding (sum of A and B) | 827,564 |
| D. Funding Top-up per place (C divided by no of places) | 4,547 |
| E. Variation between initial 9th March allocation & new draft formula - Gain / (Loss) (Total Funding col 7 less A above) | (21,999) |

| Mayfield | Number of Places | Number of Pupils | ALR Funding Per Place | Top-up per Place | Total per Pupil | Additional Top-up to Ensure £10k | Top-up per pupil | Base Funding | Top-up Funding | Total Funding |
|----------------|------------------|------------------|-----------------------|------------------|-----------------|----------------------------------|-------------------------|------------------|----------------|------------------|
| Type of Places | col 1. | col 2. | £ col 3. | £ col 4. | £ col 5 | £ col 6 | £ (col 5 + 6 less £10k) | £ | £ | £ col 7 |
| PMLD | 55 | 44 | 15,002 | 5,297 | 20,299 | 0 | 10,299 | 550,000 | 453,159 | 1,003,159 |
| SLD | 75 | 78 | 9,517 | 5,297 | 14,814 | 0 | 4,814 | 750,000 | 375,498 | 1,125,498 |
| Total | 130 | 122 | | 10,594 | 35,113 | | 15,113 | 1,300,000 | 828,657 | 2,128,657 |

| | |
|--|-------------|
| A. Initial 9th March 12 allocation (excluding Pupil Premium, Statementing & Outreach) | 2,227,505 |
| B. Place Led Funding allocated using ALR methodology (full year equivalent) | (1,538,885) |
| C. Top-up funding (sum of A and B) | 688,620 |
| D. Funding Top-up per place (C divided by no of places) | 5,297 |
| E. Variation between initial 9th March allocation & new draft formula - Gain / (Loss) (Total Funding col 7 less A above) | (98,848) |

| Torbay | Number of Places | Number of Pupils | ALR Funding Per Place | Top-up per Place | Total per Pupil | Additional Top-up to Ensure £10k | Top-up per pupil | Base Funding | Top-up Funding | Total Funding |
|----------------|------------------|------------------|-----------------------|------------------|-----------------|----------------------------------|-------------------------|----------------|----------------|------------------|
| Type of Places | col 1. | col 2. | £ col 3. | £ col 4. | £ col 5 | £ col 6 | £ (col 5 + 6 less £10k) | £ | £ | £ col 7 |
| BESD1 | 39 | 33 | 10,021 | 7,557 | 17,578 | 0 | 7,578 | 390,000 | 250,060 | 640,060 |
| BESD2 | 17 | 17 | 17,150 | 7,557 | 24,707 | 0 | 14,707 | 170,000 | 250,012 | 420,012 |
| Total | 56 | 50 | | 15,113 | 42,284 | | 22,284 | 560,000 | 500,072 | 1,060,072 |

| | |
|--|-----------|
| A. Initial 9th March 12 allocation (excluding Pupil Premium, Statementing & Outreach) | 1,105,537 |
| B. Place Led Funding allocated using ALR methodology (full year equivalent) | (682,369) |
| C. Top-up funding (sum of A and B) | 423,168 |
| D. Funding Top-up per place (C divided by no of places) | 7,557 |
| E. Variation between initial 9th March allocation & new draft formula - Gain / (Loss) (Total Funding col 7 less A above) | (45,465) |

THIS IS FOR ILLUSTRATION ONLY, THESE FIGURES WILL CHANGE ONCE NUMBER OF FUNDED PLACES ARE AGREED**Draft Pupil Referral Unit using 13/14 School Funding Reform if full****DRAFT 1**

| Type of Places | Number of Places | Number of Pupils | Funding Per Place £ | Top-up per Place £ | Total per Pupil £ | Top-up per pupil £ | Base Funding £ | Top-up Funding £ | Total Funding £ |
|----------------|------------------|------------------|------------------------|-----------------------|----------------------|-----------------------|-------------------|---------------------|--------------------|
| PRU | 50 | 50 | 14,333 | 3,019 | 17,352 | 9,352 | 400,000 | 467,577 | 867,577 |

| | |
|--|-----------|
| A. Initial 9th March 12 allocation (Excluding Pupil Premium) | 867,577 |
| B. Funding allocated on number of places | (716,650) |
| C. Top-up funding (Sum of A + B) | 150,927 |
| D. Funding Top-up per place (C divided by no of places) | 3,019 |
| E. Variation between initial 9th March allocation and new draft formula - Gain / (Loss) (Total funding less A above) | 0 |

Draft Pupil Referral Unit using 13/14 School Funding Reform if not full**DRAFT 2**

| Type of Places | Number of Places | Number of Pupils | Funding Per Place £ | Top-up per Place £ | Total per Pupil £ | Top-up per pupil £ | Base Funding £ | Top-up Funding £ | Total Funding £ |
|----------------|------------------|------------------|------------------------|-----------------------|----------------------|-----------------------|-------------------|---------------------|--------------------|
| PRU | 50 | 43 | 14,333 | 3,019 | 17,352 | 9,352 | 400,000 | 402,116 | 802,116 |

| | |
|--|-----------|
| A. Initial 9th March 12 allocation (Excluding Pupil Premium) | 867,577 |
| B. Funding allocated on number of places | (716,650) |
| C. Top-up funding (Sum of A + B) | 150,927 |
| D. Funding Top-up per place (C divided by no of places) | 3,019 |
| E. Variation between initial 9th March allocation and new draft formula - Gain / (Loss) (Total funding less A above) | (65,461) |