

Dudley Metropolitan Borough Council

Schools Forum – 13 July 2005

Report of the Director of Education and Lifelong Learning

Dudley Special Schools Formula Funding Review

Purpose of Report

1. The purpose of this report is to inform Schools Forum of the progress made to date regarding the review of the special schools funding formula.

Background

2. There are seven special schools in Dudley who receive their delegated funding via the Dudley resource allocation formula for special schools.
3. The special school's formula funding allocation has not been reviewed since the 1990's when it was first introduced as a result of LMSS (Local Management of Special Schools). The mainstream school formula was reviewed and revised in 2003/04. It was the intention at that time, that the special schools formula would be reviewed after the mainstream formula exercise was completed.
4. The DfES regulations state that the special school resource allocation formula may take into account the number of places the LEA wishes to fund in the special schools unlike mainstream schools, where funding is allocated on a pupil led basis.
5. The weightings and categories of need in the current formula are those originally based on circular 11/90 and fail to recognise the more complex needs of children now attending special schools. The impact of parental choice means that more children with additional education needs now attend mainstream schools and particularly Moderate Learning Disability (MLD) schools are now teaching children with more complex needs.
6. Research has indicated that the current balance of place-led funding (51%) within in the Dudley formula is out of line with other LEAs; other LEAs allocate between 70 –90% of their funding on a place-led basis.

This is a contributory factor to the volatility some Dudley special schools have recently experienced, particularly as surplus places accrue. A fact confirmed by a consultant from Cambridge Education Associates.

7. For 2004/05 and 2005/06 an interim 'top up' of £300k was allocated to special schools in order to supplement their delegated funding. Full details can be found in the guidance issued to schools in February and March 2005. This funding is earmarked for special schools but held within the schools specific contingency. It was intended that from 2006/07, this funding would be allocated equitably through the resource allocation formula following the special schools formula review.
8. It is widely accepted therefore that the current special schools funding formula is outdated and due for review.
9. Any formula should be simple, transparent and allocate funding equitably in accordance with need. The proposed special schools formula review adheres to these principles.

Progress and Process

10. The review commenced in May 2005 and all seven special schools head teachers are participating.
11. Three meetings have been held to date. The seven heads have been presented with how the formula funding currently works; information and comparative data from neighbouring authorities; and introduced to the SEN draft matrix for special schools.
12. Heads were asked to complete the SEN matrix for each pupil; it was hoped that this data would inform the group on the needs of the pupils in schools and assist with the allocation of funding, weighted by category of relative need.
13. Six schools completed the current matrix model for pupils in school. The data was collated centrally and a summary was produced for discussion at meeting on 17th June.
14. Some head teachers raised issues regarding the detail of the matrix in its current draft form. Heads requested to defer further progression

until September 2005, when they will meet with the Educational Psychologist to discuss these issues in more detail.

Next Stages

15. A meeting has been arranged for 9th September 2005 for special head teachers to review and discuss the matrix with the Educational Psychologist. The group will then work on producing funding models.
16. The DfES have indicated that LEAs will be unlikely to carry out major formula reviews after April 2006 due to the introduction of three-year budgets for schools. It is anticipated, therefore, that formal consultation will take place during the Autumn term with a view to implementing changes from April 2006.

Proposals

17. It is proposed that Schools Forum note the content of the report and the progress made in respect of the special schools formula funding review.
18. A further report will be presented to the Schools Forum at the next meeting.

Finance

19. The financial implications of the formula review will not be known until the modelling exercise is complete in September 2005.
20. Any additional resources, which may be required as a result of the formula review, will be discussed at Schools Forum before implementation.

Law

21. Councils' LMS Schemes are made under Section 48 of the School Standards and Framework Act 1998. The Education Acts 1996 and 2002 also have provisions relating to school funding.

Equal Opportunities

22. The Council's Equal Opportunities Policy is taken into account when

considering the allocation of resources.

Recommendations

23. The Schools Forum is requested to note the proposals as set out in this report and advise the Director of Education and Lifelong Learning of any matters arising.

A handwritten signature in black ink that reads "John Freeman". The signature is written in a cursive style with a large initial 'J'.

John Freeman
Director of Education and Lifelong Learning

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