

# Special School Funding - Background

- All schools are making savings to meet rising costs
- LA special schools made savings for 2016/17
- How far can efficiencies be taken? When do we need to find more money?
- Financial concerns raised by most special schools
- BWG studied LA school budget forecasts last meeting
- October Schools Forum agreed to recommendation that BWG look further at special school funding
- Autumn schools consultation paper noted increasing pressure on high needs budgets, rising costs and difficult decisions ahead for the high needs block funding

# Special School Funding – Summary

- As with all schools, salary costs increasing due to cost pressures e.g. pension costs
- Specials Schools have two income streams
  - Half from high needs tariffs
  - Half from the fixed £10,000 place value
- Typically 90% of income spent on staffing, half on teachers and half on TAs/support staff
- Tariffs have been increased to help meet increasing costs but half the income is fixed as the DfE have not increased the £10k place amount
- So cost pressures 13% in last two years but 2.5% funding increase – similar in mainstream.
- Same pressure/same fixed cost problem in PRU

# Special school budget plan

## Barrs Court

1. Barrs Court	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Opening Balance	571	623	688	638	567
Income	2,309	2,170	2,107	2,134	2,117
Expenditure	2,257	2,106	2,157	2,206	2,236
Net -in-year	52	64	-50	-71	-119
Closing Balance	623	688	638	567	447

## Special school budget plans Blackmarston

2. Blackmarston	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Opening Balance	73	33	-45	-150	
Income	1,621	1,617	1,617		
Expenditure	1,661	1,695	1,722		
Net -in-year	-40	-78	-105		
Closing Balance	33	-45	-150		

## Special school budget plans – Westfield

3. Westfield	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Opening Balance	93	33	-23	-85	-166
Income	1,023	1,022	1,022	1,022	1,022
Expenditure	1,083	1,078	1,084	1,103	1,120
Net -in-year	-60	-56	-62	-81	-98
Closing Balance	33	-23	-85	-166	-264

# Special school budget plans – Brookfield

4.Brookfield	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Opening Balance	25	4	-30		
Income	1,540	1,532			
Expenditure	1,561	1,566			
Net -in-year	-21	-34			
Closing Balance	4	-30			

# Special school In- year deficits

In Year Deficits	2016/17	2017/18	2018/19	2019/20	2020/21
	£'000	£'000	£'000	£'000	£'000
Westfield	-60	-56	-62	-81	-88
Blackmarston	-39	-79	-106	?	?
Brookfield	-21	-33	-40?	?	?
Barrs Court	52	64	-50	-71	-120
Total	-68	-104	-258	-152	-208

## Longer term plans

- As with other schools, need to explore with the schools/GBs a variety of cost-saving collaborative measures
- What are the options? Sharing of resources? executive headship? Staffing functions? etc
- Single LD special school MAT? How could this work?
- Need to separate decisions about staffing structure from where provision is located – latter links to Capital Investment Strategy
- What is the relationship between mainstream and special?
- Recent bid to open a 16-19 free school on Broadlands site subject to DfE approval in order to attract capital – Needs to be part of an overall agreed vision for county



# Special school Tariff percentages

	A	B	C	D	E	F
Barrs Court	0.0%	0.9%	28.2%	30.0%	34.5%	6.4%
Blackmarston	0.0%	0.0%	15.3%	30.6%	38.9%	15.3%
Westfield	0.0%	3.6%	47.3%	27.3%	20.0%	1.8%
Brookfield	0.0%	0.0%	51.9%	45.7%	1.2%	1.2%

# Pupil high needs tariffs

	A	B	C	D	E	F	Total
Barrs Court	0	1	31	33	38	7	110
Blackmarston	0	0	11	22	28	11	72
Westfield	0	2	26	15	11	1	55
Brookfield	0	0	42	37	1	1	81
<b>Total Special</b>	<b>0</b>	<b>3</b>	<b>110</b>	<b>107</b>	<b>78</b>	<b>20</b>	<b>318</b>
Other schools	84	48	153	19	0	0	304
<b>Total</b>	<b>84</b>	<b>51</b>	<b>263</b>	<b>126</b>	<b>78</b>	<b>20</b>	<b>622</b>

## Cost pressures from April 2015

- National insurance +3.4%,
- teachers pensions +3.8%,
- LGPS +11%,
- pay +3.3%

Using staffing ratios in schools this gives

- specials +12.74%
- mainstream +9.76%

Uplift inflation by 9/5 in special schools to include all staffing costs i.e. adjust by fixed £10k place value and pro-rata in mainstream (i.e.  $9/5 \times 0.6$ ) less the 2.9% funding uplift given to mainstream schools

# Uplift original tariffs by cost inflation

Tariff	Sep-14	School	To meet costs	<b>Affordability</b>	Indexed 2016/17
	£		%		£
A	1,280	Pri/Sec	14.86%	<b>0.970</b>	1,426
B	3,150	Pri/Sec	14.86%	<b>0.970</b>	3,509
C	5,225	Pri/Sec	18.06%	<b>0.970</b>	5,984
D	8,075	Spec	22.93%	<b>0.970</b>	9,629
E	11,400	Spec	22.93%	<b>0.970</b>	13,594
F	15,200	Spec	22.93%	<b>0.970</b>	18,125

**Plus add 1% for uplift to 2017/18 values from 1<sup>st</sup> April 2017**

# Potential funding difficulties

Cost of proposal 2017/18	Special	311,951
	Mainstream	129,083
	PRU	43,502
	<b>Total</b>	<b>484,535</b>
Potential funding available		
Additional DSG from DfE mid-Dec 2016, may be		225,000
Re- use funding from Keilder centre (incl reserves for one year)		110,000
Potential savings from primary SEN Protection scheme		75,000
Reallocate DSG start-up funding for in-county places		100,000
Home hospital overspend		-25,000
	<b>Total</b>	<b>485,000</b>

# Estimated Impact

Proposed Action	Proposed increases		Funding target
	£		£'000
Westfield	47,300		60
Blackmarston	83,992		80
Brookfield	66,217		40
Barrs Court	114,440		60

# Possible tariffs 2017/18 subject to funding

Tariff	2016/17	2017/18	Increase	increase
	£	£	£	%
A	1,310	1,440	130	9.9%
B	3,250	3,545	295	9.1%
C	5,500	6,044	544	9.9%
D	8,630	9,725	1,095	12.7%
E	12,400	13,730	1,330	10.7%
F	16,790	18,307	1,517	9.0%

## What next?

- Wait for DSG Announcement in mid December
- Expenditure forecast on DSG for this year small underspend of £100k
- How do we decide what's fair and reasonable?
- How do we decide what's affordable?
- Any refinements to the plan?
- Must be funded from high needs block as per principles of keeping each funding block separate
- Decide in Jan/Feb 2017
- Any questions??