

SPECIAL SCHOOL FUNDING REVIEW **DRAFT V2**

Background

1. Herefordshire Council have commissioned a funding review of community special schools and academy special converters from across the county that involves:

- Barrs Court School (SLD/PMLD/CLDD) – Academy Special Converter
- Blackmarston School (SLD/PMLD/ASD) – Community Special
- Westfield School (SLD/PMLD/MLD) – Community Special
- The Brookfield School (SEMH/MLD) – Academy Special Converter

2. The purpose of the review is to compare and contrast the schools, both with each other and similar schools nationally, to determine the broad cost effectiveness of each organisation. This is set within a context of increasing budget pressures across the Council and in each of the four provisions. The aim is to present findings that signpost where greater efficiencies might be achieved and/or suggests a need for potential increases in revenue.

Current Funding

3. Set out in the table below is the current funding position for each school based on the Council's figures for 2016/17 and the latest online financial benchmarking data, mainly from 2015/16. In each case the total revenue income per pupil has been calculated, which allows for basic comparisons to be made at a local and national level.

Name	Council 16/17			National Benchmarking 15/16		
	Revenue Total	No.	Per Pupil	Revenue Total	No.	Per Pupil
Barrs Court	£2,309,000	111	£20,801	*£2,330,000	115	£20,260
Blackmarston	£1,621,000	79	£20,518	£1,560,808	72	£21,678
Westfield	£1,023,000	57	£17,947	£1,060,029	52	£20,385
Brookfield	£1,540,000	81	£19,012	n/a		n/a

**Only 14/15 data available / Blue Text: Adjustments from V1*

Financial Benchmarking

4. Online financial benchmarking allows numerous comparisons to be made with other schools that are statistically alike which, in this case, means other special schools, in similar regions and with broadly the same pupil demographic. It is important to note, however, that schools in the same data set may not have identical SEN designations, which means that SLD/PMLD schools, for example, could also be compared to MLD/ASD and SEMH providers. That said, analysis suggests there is likely to be as much financial difference between schools of the same designation as those whose intake is supposedly very different.

5. For the purpose of this review two measures are initially being used to explore cost effectiveness, a) the total revenue per pupil and b) the cost of staffing as a percentage of total income. Combined it is felt that these measures give a consistent like-for-like comparison of income, alongside the potential for future efficiencies, on account that staffing will always be the largest areas of spending. If a school has a lower than average per pupil amount and relatively low staffing costs, for example, then it would be reasonable to assume that meaningful reductions in spending are unlikely, without seriously jeopardising standards and safety.

Benchmarking Analysis

**Staffing as % of expenditure (not income)*

Barrs Court

- a. Revenue per pupil: BM - £20,260 / LA - £20,801
 - Statistical group position 13 of 31 ranked low to high (Annex 1a)
- b. Staffing as a % of total income: BM - 76.31% / LA - 79.4% (81.2%)*
 - Statistical group position 16 of 31 ranked low to high (Annex 1a)

Summary

The revenue per pupil, comparing benchmarking to current budgets, is closely matched, as are staffing costs, which suggests statistical group positions are likely to be reliable.

Revenue per pupil is mid-range in terms of ranking and amount, which suggest a reasonable level of income for the type of school.

Staffing, as a percentage of income, is mid-range in terms of ranking and amount, which suggests an efficient use of human resource.

To conclude, Barrs Court presents as a seemingly cost effective organisation with no obvious areas of concern.

Blackmarston

- a. Revenue per pupil: BM - £21,678 / LA - £20,529
 - Statistical group position 23 of 31 ranked low to high (Annex 1b)
- b. Staffing as a % of total income: BM - 86.06% / LA - 93.8% (91.6%)*
 - Statistical group position 28 of 31 ranked low to high (Annex 1b)

Summary

The revenue per pupil, comparing benchmarking to current budgets, shows an approximate 5% variation, which suggests statistical group positions are likely to need moderating slightly downwards.

Staffing costs from benchmarking are over 5% lower than the proportion the school currently commits against actual expenditure, which then grows to nearly 8% against income. This suggests that the statistical group position will need to be moderated quite significantly upwards.

With a corresponding adjustment in the revenue rankings down by 2 places, the school is still placed in the upper third of similar schools, but the lower amount means there is an increased correlation with schools in the mid-range. This is due to a steep rise in revenue for a few schools at the top end of the scale. Taking these elements into account, the overall level of revenue funding seems at least reasonable for the type of school.

Staffing, as a percentage of income, is already very high in terms of ranking and amount, but when current proportions of expenditure are considered the school substantially exceeds the upper range. This confirms that staffing costs are excessive compared to both income and expenditure.

To conclude, Blackmarston does not offer the same level of cost effectiveness as many other similar schools, which is likely to be addressed by reducing the amount spent on staffing as a proportion of income.

Westfield

- a. Revenue per pupil: BM - £20,385 / LA - £17,947
 - Statistical group position 6 of 31 ranked low to high (Annex 1c)
- b. Staffing as a % of total income: BM - 82.80% / LA - 92.0% (87.0%)*
 - Statistical group position 24 of 31 ranked low to high (Annex 1c)

Summary

The revenue per pupil, comparing benchmarking to current budgets, shows an approximate 12% variation, which suggests statistical group positions are likely to need moderating downwards.

Staffing costs from benchmarking are nearly 5% lower than the proportion the school currently commits against actual expenditure, which then grows to nearly 10% against income. This suggests that the statistical group position will need to be moderated quite significantly upwards.

With a corresponding adjustment in the revenue rankings down by 3 places, the school falls into the bottom 3 on the scale, with the lower amount suggesting a difference with schools in the mid-range, to the tune of £4000 or 20%. The overall level of revenue funding, therefore, seems low for the type of school.

Staffing, as a percentage of income, is already high in terms of ranking and amount, but when current proportions of expenditure are considered the school either encroaches on the top slot or exceeds the upper range. This confirms that staffing costs are high compared to both income and expenditure, which is probably due in part to lower income levels overall, but not exclusively.

To conclude, the cost effectiveness of Westfield is open to improvement and is probably best achieved through a combination of increased revenue levels and a reduction in the proportion of income spent on staffing.

Brookfield

- a. Revenue per pupil: LA - £19,012
 - Statistical group position not applicable
- b. Staffing as a % of total income: LA - 87.0% (85.8%)*
 - Statistical group position not applicable

Summary

No online benchmarking data is available for the school. A broad comparison of SEMH Special School provision nationally would suggest that the current revenue per pupil is **consistent with the majority of** statistically similar schools. Staffing, as a percentage of income, is high in general terms and likely to be in the top 20% of the same statistical group.

To conclude, the cost effectiveness of Brookfield is difficult to determine due to a lack of accurate benchmarking data, but **broadly average** revenue levels **should not automatically result in** financial difficulties, which will be **helped if** the relatively high proportion of income spent on staffing **is kept under control**.

Blue Text: Adjustments from V1

Staffing

6. On the basis that cost effectiveness and staffing are closely aligned, it would seem practical to offer a basic comparison of current staffing costs between the schools included in the review. Set out in the table below, therefore, is a simple full-time equivalent breakdown of staff employed at each school, covering teaching and learning support. These figures are taken from payroll data and are divided between 'teaching' staff (e.g. headteacher, deputy, teachers and instructors) and teaching 'assistants' (e.g. SEN assistants and learning support staff). The two groups represent almost all the staffing numbers and costs in each of the schools ($\approx 94\%$) with administration, catering, cleaning and site management making up the rest.

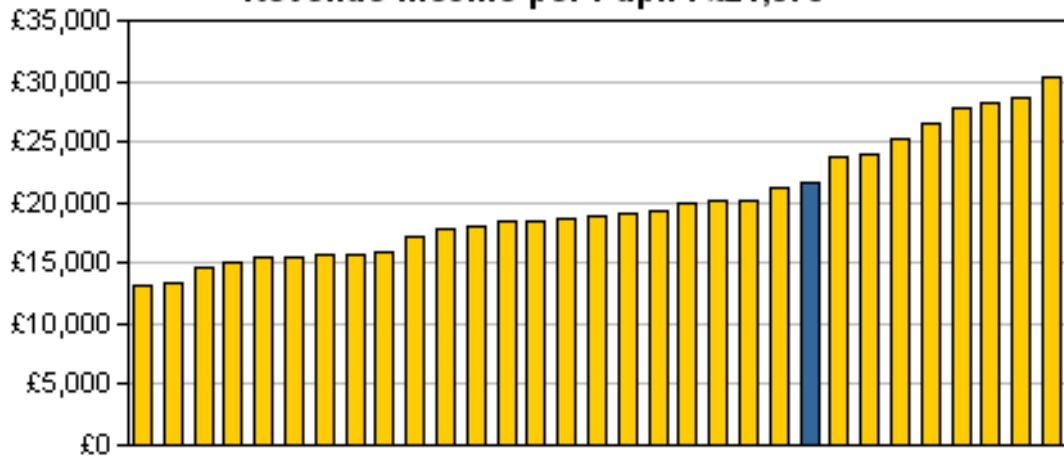
Name	Pupils	Teachers	Ratio	Assistants	Ratio
Barrs Court	111	15.0	7.4	31.6	3.5
Blackmarston	79	12.0	6.6	28.1	2.8
Westfield	57	7.6	7.5	18.7	3.0
Brookfield	81	*16.2	5.0	17.0	4.8

*Includes 2.6 instructors / *Blue Text: Adjustments from V1*

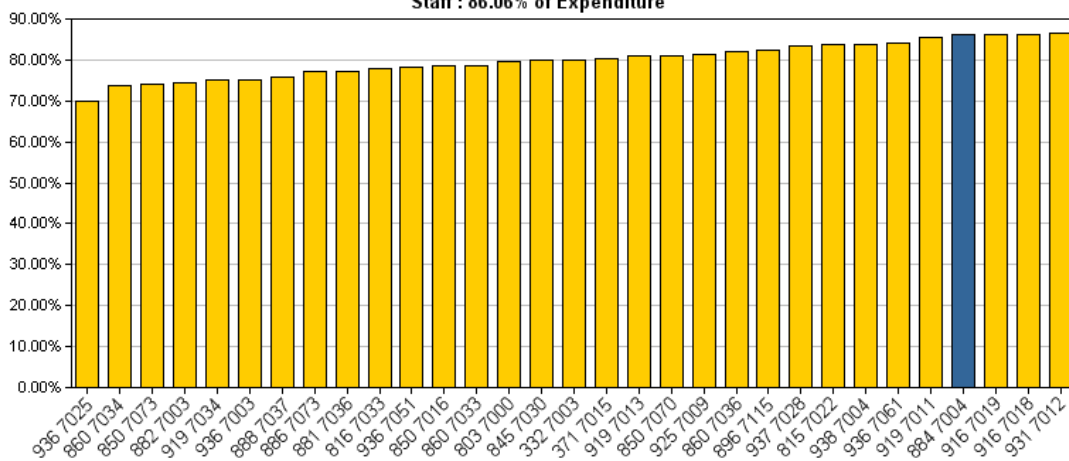
7. To demonstrate the potential use of these figures, the table shows that Barrs Court currently employs proportionally fewer teachers and assistants than Blackmarston, whilst receiving similar revenue amounts for pupils of comparable need. Reversing the Barrs Court ratios would result in Blackmarston employing 10.7 teachers (-1.3) and 22.6 assistants (-5.5) that, in theory, could result in substantial savings. Comparisons of this type, however, should be treated with caution, as the individual circumstances for each school would need to be explored in much greater detail to offer a full and more meaningful analysis. That said, figures such as these do offer lines of enquiry that might prove beneficial and, as in the case of Westfield, could give greater insight into the balance between possible shortfalls in income and staffing expenditure.

Blackmarston (b)

Revenue Income per Pupil : £21,678

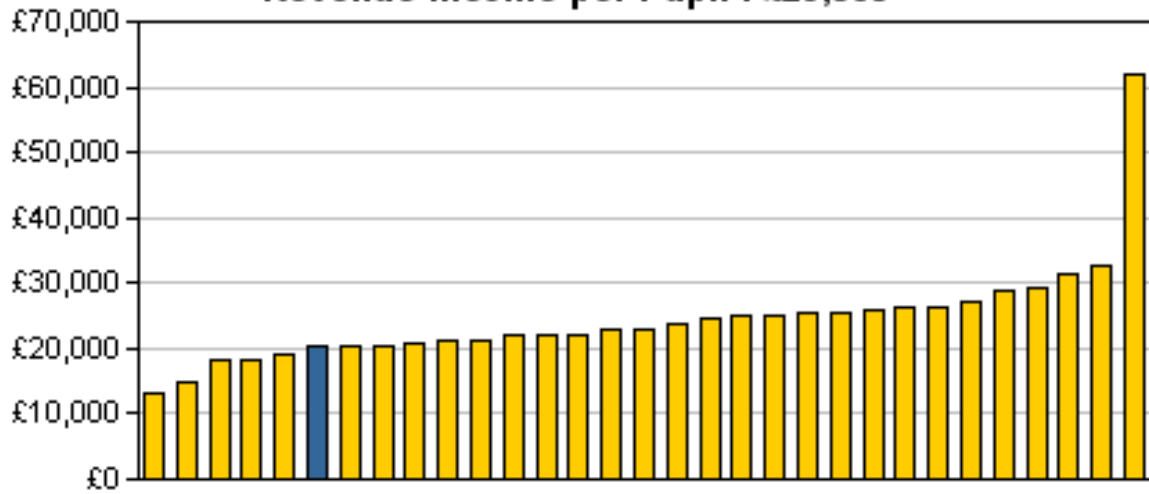


Staff : 86.06% of Expenditure



Westfield (c)

Revenue Income per Pupil : £20,385



Staff : 82.80% of Expenditure

