

Schools Forum

5th December 2013

Special Schools Nursery Funding

This report relates to both maintained and academy schools

Recommendation

The Schools Forum is recommended to:

1.0 Propose that WCC Cabinet agrees that the methodology of funding nursery children in special schools is changed from April 2014 to be based on actual pupil numbers rather than a guaranteed place funding approach

2.0 Comment on a transitional period of either 2 or 3 years

3.0 Comment on the option to transfer any released funding for early intervention and SEN support for 0 to 5 year olds in non-specialist early years settings

1.0 Introduction and Background

1.1 Reports brought recently to the Schools Forum have highlighted the project to amend the special schools nursery funding to a participation based approach rather than a guaranteed place method.

1.2 The Project Team and Project Board have been working on a series of scenarios and this report details their recommendations. Following discussion at the Forum, a proposal will be reported to Cabinet for final approval.

1.3 Special schools nursery provision has been funded on a guaranteed number of places since April 2010 and recent analysis of actual pupil numbers show that the funded places exceeds demand. In a period of tight financial constraints and the national government steer of funding following the pupil, this is not now considered a viable long term approach. The aim is that the revised way that specialist nurseries are funded is both equitable and retains the viability of the 6 special schools nurseries.

2.0 Impact on using actual pupil numbers

2.1 In terms of funding based on pupil numbers, the early years funding is different to main school funding. Because there are marked differences in the level of participation in each term, data from all 3 of the pupil censuses are taken into

account. The arrangement is that pupil data from the last 3 most recent censuses are used as an estimate for the current years funding. However, if the actual pupil numbers in the year differ from the estimate, then a corresponding adjustment is made the following year.

2.2 The Project groups recommends that such an approach is used in the special schools nurseries too; this means that funding will be based on latest participation data and will also be in line with other early years funding principles

2.3 The latest actual special school nursery pupils' numbers have been obtained and the table below indicates the difference between this approach and the current methodology. The overall result is a reduction in funding of over £200,000 with some schools losing more than others.

Table One

	2013/14 Funding	2014/15 funding based on latest pupil estimates	Full loss	% loss	Annual loss with 2 years protection	Annual loss with 3 years protection
Brooke School	£117,195	£110,553	£6,642	5.67%	£3,321	£2,214
Exhall Grange	£63,277	£39,514	£23,763	37.55%	£11,881	£7,921
Oak Wood Primary School	£120,204	£73,885	£46,320	38.53%	£23,160	£15,440
Ridgeway School	£126,187	£113,578	£12,608	9.99%	£6,304	£4,203
Welcombe Hills School	£150,955	£69,358	£81,597	54.05%	£40,798	£27,199
Woodlands School	£107,479	£40,510	£66,969	62.31%	£33,485	£22,323
TOTAL	£685,297	£447,398	£237,899	34.71%	£118,950	£79,300

2.4 Some of these funding reductions are significant in terms of financial planning. Both the Project Team and Board are aware that the financial viability of specialist nurseries is important; the trend is that more and more children have special needs and although main stream settings can provide for these children, some more complex and severe cases will be better provided for within specialist settings.

2.5 Whilst there is recognition amongst special school head teachers that these changes are equitable, with the final recommendation to make changes being only a few months before the start of the new financial year, it will be difficult for some of the schools to adapt accordingly. Although it is not anticipated that these will result in closure of specialist nurseries, costs associated with the nursery provision are primarily staffing and where redundancies or redeployment are required, there are statutory time scales to be adhered to. As such, a degree of transition has been recommended.

2.6 In the last 2 columns of Table One, the annual reduction in funding for each school is shown either based on a 2 or 3 year transition.

2.7 Whilst these changes will impact on special schools from April 2014, as the Schools Forum is aware, further changes to their funding is also underway with the development of a revised top up matrix for reception stage to post 16 pupils. This will be introduced in September 2014 and will inevitably impact on school by school funding levels although the extent of this is not yet known.

3.0 Options for recycling the funding

3.1 In terms of the funding that will be released from changes to the methodology, the amount will vary depending on the transition period. Table Two indicates the levels.

Table Two

Funding released from special schools nursery provision			
2 years protection	2014/15	£118,950	
	2015/16	£237,899	
3 years protection	2014/15	£79,300	
	2015/16	£158,599	
	2016/17	£237,899	

3.2 In terms of use of the funding, one option is that it could be offered up as a saving to release the pressure on the Dedicated Schools Grant (DSG) overall. Forum members will recall that this is in the region of £3m in 2013/14. Although this would not make a significant impact on the overall shortfall, of course it would make a contribution.

3.3 Another option is to recycle the funding to focus on other early intervention initiatives. Most of the DSG high spending areas are in relation to high needs pupils who, as they progress through the education system, can require additional support throughout which can be expensive. There may be instances where this can be minimised by more focused early intervention.

3.4 Local Authorities across the UK have been urged to promote inclusion and early intervention, with strategic planning and local initiatives to guide, support and improve practice in early years settings. Though local case study research has shown a variation in the quality, training and expertise across Warwickshire's early years' provision; there is evidence of very effective inclusive practice relating to children with a range of SEN and/or disabilities (including some with very severe and complex needs) in several non-specialist settings across the county. These settings have included child minders, playgroup facilities, private and voluntary pre-schools and day nurseries, as well as local authority nursery settings.

3.5 Currently a DSG budget of £80,000 provides support for around 50 individual children each year with significant additional needs (equivalent in severity/complexity to those in specialist nurseries) being supported in mainstream settings via Integrated Disability Service specialist teachers. An Inclusion Grant is offered where criteria are met and equates to a maximum of £500 per half-term for settings to provide additional staffing and targeted support.

3.6 With the promotion of the advantages of early years education to parents and the introduction of the Disadvantaged 2 year olds scheme, there are an increased number of children in early year's settings generally and therefore, by default, an increase in those needing additional support. The current DSG budget allocation is not sufficient to provide support for all of these children and the recommendation is that part of this funding is recycled to cope with the increased children that meet the criteria for an Inclusion Grant.

3.7 In additional, it is recognised that the LA should support and encourage the development of enhanced provision within the non-specialist EY sector to ensure that universal, quality provision is more readily available locally without the need for expensive transport costs to settings. It is also therefore recommended that part of the recycled funding is focused on training and development in settings to enhance specialist skills in speech and language, children with challenging behaviour, ASD awareness, severe developmental delay etc. Also, assist in developing parental support links and the development of specialist resources & facilities, such as sensory room. The exact methodology for allocation of this funding will be developed by LA officers and the impact of the initiative monitored through pupil tracking.

3.8 The result of these initiatives is that capacity to provide for children with additional needs within the mainstream early years settings will increase. This will support the revised objectives of the revised early year's offer that aims to increase the number of children arriving at school, "school ready". Currently in Warwickshire only 45% of children arrive 'school ready' whereas the national median is 54%. We have re-commissioned all of our children's centres against an outcomes specification that aims to bring WCC in line with the national median, so redirecting resources to build capacity for some of our most vulnerable children in their early years will support this aspiration.

3.9 Warwickshire also has an ambition to narrow the gap between all children and the most vulnerable. Data demonstrates that the attainment gap between all children and those eligible for FSMs continues to widen, focussing our resources to support vulnerable children generally in their early years, will contribute to this.

3.10 Finally, it is proposed that WCC could develop a 'kite mark' for EY providers who can demonstrate that they have enhanced provision for vulnerable children. The intention is that this will incentivise settings and have a corresponding impact on the levels of school readiness. The use of this funding would assist the LA in offering a

package of support for providers to develop in this area.

3.11 As these changes are significant and impact on a vulnerable group of pupils, consultation and communication with the relevant stakeholders has been key to the project. This has included special head teachers, Local Authority SEN and Early Years officers, elected members and special school governors.

3.12 In terms of firming up the proposals to re-cycle the released funding to non-specialist settings, further consultation with EY officers and providers will also take place.

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