

**Lincolnshire County Council**  
**Policy on funding arrangements for special school reorganisations**

**Purpose**

This policy has been developed to provide a formalised approach to the funding of special school reorganisations to support the Local Authority's (LA) statutory duty to provide sufficient school places for the children of Lincolnshire. It seeks to address situations when, as part of its strategic planning of school places, the LA asks a school / academy to expand and take in additional pupils above their agreed capacity temporarily, or expand permanently.

**Objective**

The primary objective of the policy is to ensure that special schools subject to a reorganisation receive funding to meet all reasonable additional costs.

**Principles**

The following principles underpin the policy:

- Fairness - the funding provided aims to meet all reasonable additional costs. A school should not be financially disadvantaged by agreeing to an expansion, nor should they financially benefit from the funding support from the LA
- Equity - all schools should be treated in a similar way.
- Transparency - all schools should be able to see and understand the policy and the allocations made to schools by the LA.
- Simplicity - the policy and underlying formula should be easily understood.
- Efficiency - resources should be used in a way that secures good value for money.

**Scope**

This policy is designed to deal with special school reorganisations that are required by the LA in order to fulfil its strategic and statutory responsibilities. The policy aims to provide an appropriate level of funding during this transition period to those schools that the LA wishes to expand permanently (increase in the school capacity) or temporarily (e.g. for perhaps for one year only, by taking additional pupils above their capacity as a 'bulge' year). It must be commissioned and supported by the LA.

The policy does not apply in instances where schools simply have the opportunity to offer more places above their capacity and pupils can be accommodated within existing classroom arrangements. The LAs in-year funding adjustments process will ensure the correct funding for the school is received in these instances.

The policy applies to both LA special maintained schools and special academy schools, and the funding treatment is the same.

This policy does not cover merged schools, split site factors or newly created schools.

**Types of School Re-Organisations**

- Permanent capacity expansions (phased or through all the schools year groups)  
A school is asked by the LA to have a permanent capacity change to ensure a sufficiency of school places exists, for example through a phased expansion. The pressure on school places may exist across multiple or all year groups, therefore the change may affect several of the schools year groups, the timing of which will be agreed.
- Temporary capacity expansions (over-offer on existing capacity for one year group)

A school is asked by the LA to have a temporary capacity change for a pre-determined period (an over-offer – original capacity stays as it is) to ensure a sufficiency of school places exist for a particular bulge year(s). This temporary capacity change will likely only affect one year group, typically to manage an exceptional pressure.

### **Proposed approach to funding expansions**

The special school reorganisation policy has adopted a formulaic approach providing a consistent and transparent basis for the allocation of funding, which will allow schools to undertake effective financial planning during this transition period. It will be for the schools local decision-making in determining use of this funding. The mainstream primary and secondary school reorganisation policies have also developed formulaic approaches to funding schools that are underpinned by their respective school funding formula arrangements.

The LA functions of Finance, Special Educational Needs & Disabilities (SEND), School Improvement and Provision Planning have been working together to develop an approach for funding special school reorganisation.

To support a special schools transition to its new capacity level, the LA approach needs to be sustainable both operationally and financially. To aid the schools transition the LA approach is to provide **band funding** using the **schools average band value** established through its current years band profile (excluding the one-to-one pupil funding of band G) of Lincolnshire's special schools funding formula. Where a pupil is identified as band G through the school place review, additional funding will be allocated for that pupil to the band G monetary value. This overall approach ensures the existing special schools funding formula underpins the funding arrangements and it enables a smooth transition onto the full formula upon the reorganisation officially ending. The average band value used will be updated annually in accordance with the special schools funding formula to reflect the latest cohort of pupil needs. The LA will use a **pump priming approach** to providing funding in advance of pupils arriving at agreed stages to ensure resources and structures are in place in readiness for schools to accept the Lincolnshire pupils from day 1 of opening the class. This will ensure the opening of the additional capacity is done safely and effectively. Such a time limited pump priming approach is seen as the most effective way of financially supporting planned reorganisation for special schools. This ensures the integrity of the funding formula is maintained creating consistency, openness and transparency.

The band funding for each new place created will support the direct classroom arrangements of staffing costs (teacher and teaching assistants) and a midday supervisor arrangements over the lunch period. These are considered to be the marginal costs to a special school of accepting additional pupils.

The LA SEND team working with the special school will agree the **phasing** of a school reorganisation to its new capacity level at the outset, which will form part of the **indicative funding agreement** between the two parties. The LA SEND team will work closely with the special school identifying pupils in readiness of the next phase of the place number increase. Where the timing of classroom openings changes, the funding levels will be adjusted accordingly. The funding agreement will enable a special school to build these indicative funding levels into their medium term finance plans to correspond to the increased cost of providing more places. Funding allocations will be made by the LA in advance of the classroom opening.

LA has established a model of prioritisation of pupils to identify those that should be earmarked for a school place at their nearest special school:

	Priority Level A	Priority Level B	Priority Level C
<b>Route</b>	Funnel 1:  All New EHC Plans directed to nearest special school once open.  In Mainstream school awaiting special	Funnel 2:  Parental/LA Preference to move school	Funnel 3:  Waiting List
<b>Definition</b>	EHCP Referrals  EHCP Assessments  Plans currently in place	INMS placed due to lack of available place in local special school.  Place in non-nearest special schools due to capacity/ability to meet need.	-On Home Tuition awaiting special school place
<b>Data Source</b>	SEND – Mosaic  SEND Hub/Caseworkers	INMS List  Transport data (local resident being transported to non-nearest school)	SEND Case Workers  Home Tuition List

During the period of a planned reorganisation, the normal in-year funding adjustments process (e.g. top up adjustments and commissioned place funding) will be suspended until the end point of the planned reorganisation in accordance with the funding agreement.

Lincolnshire special schools (maintained and academies) are required to provide information to the LA SEND Locality Team Manager where they have been approached by **another LA to place a pupil** before any such placement is agreed. This is the standard local process advised to special schools by the LA, however it is particularly important to adhere to this during a planned school reorganisation, since a LA decision to expand a school will be based on the sufficiency of school places for its Lincolnshire pupils.

The schools overall band funding including the additional places provided through the planned school reorganisation (for that given financial year) will require assessing against the **School Size criteria** for determining a schools staffing and non-staffing block allocations. The school will be entitled to additional funding where they go up a School Size in the financial year for a planned school reorganisation. This particular funding will be allocated in February to take account of the actual timing of the opening of classes.

An **illustrative example** of a special school reorganisation including its band funding and timing is as follows for school A:

- Pupil capacity is planned to increase from 72 to 96 places.
- Funded at 72 places through it delegated budget shares funding.
- The average band value is £9,000 based on its current band profile of pupils.
- New classes will be open in 1 September 2021, 1 January 2022 and 1 April 2022. Each class will have 8 places created.
- The School Size is '3 – Transition Point' for determining the staffing and non-staffing blocks. This is determined by its band funding of £648,000<sup>1</sup>).

<sup>1</sup> Band funding of £648,000 is calculated by multiplying the band value of £9,000 by 72 places.

**Treatment of funding (financial year: April 2021 to March 2022)**

Table 1:

	<i>Number of New Places</i>	<i>Opening Date</i>	<i>Months Remaining (to March 2022)</i>	<i>In Year Funding</i>
New classroom 1	8	1 September 2021	7	£42,000
New classroom 2	8	1 January 2022	3	£18,000
New classroom 3	8	1 April 2022	0	£0
			<b>Band Total</b>	<b>£60,000</b>
	<i>Original Band Funding</i>	<i>Revised Band Funding</i>	<i>School Size</i>	<i>Staffing and Non-Staffing Funding Increase</i>
School Size	£648,000	£708,000	4	<b>£27,500<sup>2</sup></b>

From the 1 September 2021 (start of the first new class opening) to the end of March 2022 (end of the LAs financial year), the school would receive additional funding of £87,500 (see Table 1) for opening classroom 1 and 2.

**Treatment of funding (next financial year: April 2022 to August 2022)**

The LA autumn place number review determining the following academic year place numbers will incorporate the additional 24 places from September 2022 within a schools agreed places and delegated funding.

Table 2:

	<i>Number of New Places</i>	<i>Opening Date</i>	<i>Months Remaining (to August 2022)</i>	<i>In Year Funding</i>
New classroom 1	8	1 September 2021	5	£30,000
New classroom 2	8	1 January 2022	5	£30,000
New classroom 3	8	1 April 2022	5	£30,000
			<b>Total</b>	<b>£90,000</b>
	<i>Original Band Funding</i>	<i>Revised Band Funding</i>	<i>School Size</i>	<i>Staffing and Non-Staffing Funding Increase</i>
School Size	£774,000 <sup>3</sup>	£864,000	4	<b>£0</b>

The band funding has increased through a schools delegated funding due to the place numbers increasing to 96 by the following academic year (September 2022) including moving up a School Size for the staffing and non-staffing block (£126,000 band funding and £27,500 School Size funding). In addition, in year funding for the school during that financial year will be £90,000. The school reorganisation will end at 31 August 2022, and the school will revert back to Lincolnshire's agreed funding formula including the LAs in-year adjustments funding process.

<sup>2</sup> The School has moved from 'School Size 3 Transition Point' to 'School Size 4' by exceeding the £700,000 threshold – the staffing and non-staffing blocks will increase from £417,500 to £445,000 resulting in an increase of £27,500. This funding will support the schools central infrastructure in moving to be a larger school.

<sup>3</sup> The original band funding is calculated by adding £648,000 (band funding before the reorganisation) plus £126,000 for 7 months of 24 places at £9,000 per band (since place numbers submitted have increase to 96 from September 2022), therefore totalling £774,000.

Table 3 provides an overview of school A funding over the period of the reorganisation transition period.

Table 3:

	<i>Original Funding (pre reorganisation)</i>	<i>Year 1 (2021/22)</i>	<i>Year 2 (2022/23)</i>	<i>Year 3 (post reorganisation)</i>
Place Numbers	72	72	86 <sup>4</sup>	96
<b>Revised Place Numbers</b>	<b>72</b>	<b>78.66<sup>5</sup></b>	<b>96<sup>6</sup></b>	<b>96</b>
Original Band Funding	£648,000	£648,000	£774,000	£864,000
Reorganisation Funding	£0	£60,000	£90,000	£0
<b>Total Band Funding (a)</b>	<b>£648,000</b>	<b>£708,000</b>	<b>£864,000</b>	<b>£864,000</b>
Schools Size	3 – Transition Point	4	4	4
School Size Funding (b)	£417,500	£445,000	£445,000	£445,000
<b>Overall Funding (a+b)</b>	<b>£1,065,500</b>	<b>£1,153,000</b>	<b>£1,309,000</b>	<b>£1,309,000</b>
Overall Funding Increase		£87,500	£243,500	£243,500

### Transition

The funding approach has been discussed and piloted with a number of special school head teachers in the sector involved with previous reorganisations, and have been satisfied with the methodology of funding reorganisation schools.

### Moderations

In accordance with the Council's guidance protocol for 'Funding Special School Placements', in November each year, the LA is required to agree the level of place numbers at each special school for the following academic year, which will take into account planned reorganisations. Once the list of places to be funded is agreed, the LA will ensure that each pupil we have agreed a place for has their agreed band assigned. This is to be used within the publication of the following years Budget Shares that is issued to each of the special schools.

### Please Note

Schools and academies should be mindful of the long term requirements of planning for a permanent or temporary increase in pupil numbers. There is a demand for special school places in Lincolnshire and forecast to be in future, however it must be noted that there is no guarantee that a permanent or temporary increase will be sustained, therefore schools will be able to manage this risk through fixed term appointments or through staff turnover, where required. Schools are asked to consider staff appointments with their HR Advisor.

The LA will review annually the following academic year(s) projected pupil numbers in November / December, and provide a formal position statement on the schools direction of travel, and the LA's funding intentions to ensure classroom structures are organised appropriately. The LA is required to ensure the Dedicated Schools Grant (DSG) funding is being deployed effectively.

No allocation will be made to a school or academy where the school or academy admits pupils from other LAs during a reorganisation.

### Classroom Fixture & Fitting costs

In certain instances, the LA will support the school by providing temporary classrooms, or converting or extending accommodation for an additional permanent classroom(s). Additional equipment is likely to be required for each new classroom being created. When this criteria is met and the classroom is being utilised, the LA will provide an additional £9,525 to create a suitable teaching & learning environment. This sum will fund the items included in

<sup>4</sup> 72 places for the period April 2022 to August 2022 and 96 places from September 2022 to March 2023 to take account of the updated place number review.

<sup>5</sup> Incorporates the additional place numbers for the period September 2021 to March 2022 (net 6.66 places) from the original place numbers (72).

<sup>6</sup> Incorporates the additional 24 place numbers for the period April 2022 to August 2022 (net 10 places) from the original place numbers (86) – see footnote 4.

Appendix 1 for a typical classroom environment. The LA believes this approach to the funding of equipment is reasonably generous. It recognises that schools have to equip classrooms in advance of their use and understands the need to make funds available to schools. However, it also acknowledges that IT equipment typically has a useful life of approximately 4 years and those costs can be spread over that period through leasing arrangements. Such costs would ordinarily be funded by the schools delegated funding.

The fixture & fittings funding for those schools meeting this policy requirement will be allocated in the summer term for those new classrooms being open in the new academic year. The school can choose to spend this funding to equip the new room as they wish.

Co-operation with the sector has confirmed that the £9,525 allocation for classroom fixtures and fittings meets the required needs.

The LA will allocate fixture & fittings funding to the special school in advance of the class opening.

### **New Space – Fixture & Fittings**

The LA will provide fixture and fittings funding for new building spaces (non-classroom) created through the special schools capital project. For example, no sensory room in current building, but the new or remodelled building with have a sensory room.

In accordance with policy, pre-determined monetary amounts will be allocated to the school based on the classification of the new non-classroom spaces being created. The funding amounts are included in Appendix 2.

### **External Spaces**

As per the agreed key principles for the capital programme, the LA will provide 5 external zones for further development by the school:

- Sensory Garden
- Horticulture
- Hard surface sport area
- Grassed play area
- Trim Trail

These spaces will be fitted with appropriate services and habitat but equipment will not be provided. The Sensory Garden will be constructed with a pathway with 6 different materials, 2 large planters and services for electricity and water. Schools will be responsible for purchasing any external equipment required or re-using existing equipment. Schools may choose to make a financial contribute to the capital scheme if they wish external equipment to be installed as part of the construction scheme. This can be negotiated on a case by case basis.

In addition one storage shed will be provided for primary equipment and one storage shed for secondary equipment if schools do not have existing provision.

### **One-off items of expenditure**

The LA will consider exceptional one-off funding requests to allow the school to continue working effectively and to avoid operational difficulties created by the expansion e.g. the integration of alarms or servers where additional accommodation has been built for the extra children, or specialist classroom equipment. Such exceptional requests will have to be demonstrated, and be assessed for value of money.

Revenue based costs are considered in this policy; however anticipated capital costs to the school from a reorganisation perspective should be discussed with the assigned Lincolnshire County Council Project Manager to clarify precisely what reasonable capital items will and won't be funded as part of the capital build project.

### **Site movement**

The programme of capital works will require two schools to move to a new purpose built school at a different location. It will be the schools responsibility to resource and lead this process, but the LA will provide financial support to facilitate the actual move by way of funding the removal company costs. The LA will determine a set financial amount for this purpose in agreement with the school. The allocation will be agreed on a case by case basis depending on the extent of the site move.

The NRS equipment contract will disconnect, transport and reconnect all specialist equipment for a site move as part of the contract.

### **Recruitment**

The LA working with the school will ensure the funding agreement is in place between 9-12 months before the start date of the reorganisation. This will ensure schools have sufficient time to plan the development and recruitment of classroom staff for each class opening. For each new class created the LA will fund the school £2,230. This represents 5 days of training time for up to 4 classroom staff. The coordination and timing of training is to support the integration of new classroom staff. The support provided will be decided at school level.

This considered approach will allow those staff to be integrated into the school effectively in readiness for admitting pupils into the opening of the new classroom.

### **Funding Source**

The funding delivered through application of this policy will be made available from the High Needs block of the DSG. LAs across the country are facing financial challenges within their High Needs blocks, therefore the deployment of funding needs to follow the key principles of the policy in fairness, equity, transparency, simplicity and efficiency (e.g. secures good value for money).

LAs receive lagged funding through its High Needs block for special school places, therefore the LA will consider a blended approach to funding the growth in special school places through earmarked funding and current year base funding.

### **Timing of Payments**

The LA will allocate funding as follows:

- Band funding: in advance by 1 month of the classroom opening
- School size funding: by the end of February each year
- Fixture & fittings funding: in advance by 2 month of the classroom opening (subject to special request by the school)
- One-off items of expenditure: depending on circumstance and its timing.

The payments will be made by the Children's Services Finance Team.

### **Policy Review**

This policy will be reviewed by Children's Services Financial Strategy Team and service teams on at least an annual basis.

### **Policy date**

This policy was approved by Children's Services Directorate Leadership Team on 16/12/2020.

**School Reorganisation: Example equipment costs for suitable teaching & learning environment**

<b>Fixture &amp; Fitting costs</b>	<b>Monetary Value</b>
Whiteboard	£70
Interactive whiteboard	£3,500
Teacher laptop	£800
Pupil ICT	£1,400
Pupil desks and chairs	£1,350
Teacher desk and chair	£325
Children's trays and 2 cabinets	£180
Additional cabinet and trays	£90
2 large bookcases	£360
2 small bookcases	£260
1 paper cupboard	£290
Pupil Belongings storage	£600
Sensory resources (if required)	£300
<i>Along with other class materials etc.</i>	
<b>Total</b>	<b>£9,525</b>

## School Reorganisation: Funding Allocation for Loose Equipment in New Spaces

Room Type	Cost per room £	Comment
Classrooms	£9,525	
Science Laboratory	£9,525	
Design & Technology / Art	£9,525	
Food Technology		Suitable legacy equipment. If not possible or additional equipment required, please submit Business Case to Programme Manager
Ambulant Group/Breakout Rooms	£300	per room
Non-ambulant Group/Breakout Rooms	£300	per room
ICT / Library	£9,525	
Halls (Dining and Sports)		Suitable legacy furniture to be used. Individual Business Case to outline cost of additional furniture required due to expansion. Please submit to Programme Manager
MI/School Nurse's Room	£1,200	Bed to be sourced through LCES contract
Soft Play	£13,000	
Physiotherapy Room	£1,200	Bed to be sourced through LCES contract
Sensory Room		Individual Business Case to Programme Manager
Hydrotherapy Pool	£0	All fixed equipment
Social Skills Base/Life Skills	£9,525	
Social Recreation / Common Room	£3,000	
Calming Room		No loose equipment required
Parents Room	£1,000	
Therapy Room / Professionals' Office	£300	£300 per person for all administrative spaces
General Office	£1,200	£300 per person for all administrative spaces, based on 4 work stations
Premises Manager	£300	£300 per person for all administrative spaces, based on 1 work station
Meeting/Training Room	£1,200	
Professionals' Office	£600	£300 per person for all administrative spaces, based on 2 work stations
Staff Room		Suitable legacy furniture to be used. Individual Business Case to outline cost of additional furniture required due to expansion. Please submit to Programme Manager
Staff PPA Room	£1,200	£300 per person based on 4 people using the space at one time
Sick Bay	£0	Chair only required

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