

Decision maker:	Schools Forum
Subject:	High Needs funding call for evidence
Date of decision:	10 July 2019
Report from:	Alison Jeffery - Director Children, Families and Education
Report by:	Julia Katherine - Head of Inclusion
Wards affected:	All
Key decision:	No
Budget & policy framework decision:	No

1. Purpose of report

- 1.1. To inform Schools Forum of the Department for Education's Call for Evidence and seek endorsement of the proposed responses.

2. Recommendations

- 2.1. It is recommended that Schools Forum:

- 2.1.1 Endorses the proposed responses to the Department for Education call for evidence.**

3. Background

- 3.1. The Department for Education has launched a Call for Evidence, inviting interested organisations to consider and provide feedback on the financial system for special educational needs (SEN) and high needs funding and the way in which this may be adversely influencing local authorities, mainstream schools, colleges and other education providers in the way that they support children and young people with SEN, those who are disabled, those who require Alternative Provision and those who are at risk of exclusion.
- 3.2. The Department for Education acknowledges that schools and local authorities are most concerned about the overall amount of funding available. The total amount of high needs funding available will be considered as part of the forthcoming spending review.

- 3.3. The call for evidence focuses on the way in which the available funding is distributed, and whether there are improvements that could be made to improve outcomes for children and young people.
- 3.4. Responses are required by 31st July 2019 via an online survey.
- 3.5. Proposed responses to the questions asked in the online survey, a copy of which is attached at Appendix A, which could be submitted on behalf of Portsmouth Schools Forum are set out below.

4. Proposed responses

1. What formula factors are most important in providing schools with enough money to ensure they meet the needs of their pupils with SEN? Please rank the following factors in order of importance with 1 as the most important

- 1 - Low prior attainment
- 2 - IDACI - a measure of area deprivation
- 3 - Eligibility for free school meals - a measure of deprivation relating to individual children
- 4 - Age-weighted pupil unit of funding

2. Would allocating more funding towards lower attainers within the low prior attainment factor help to better target funding towards the schools that have to make more SEN provision for their pupils?

Yes. But this should not be at the detriment of other funding factors

3. What positive distributional impact would this change in approach (e.g. creating tiers of low prior attainment) create for mainstream primary and secondary schools?

This would ensure that funding is directed to those with the lowest education attainment therefore needing more support, incentivising inclusion and focusing funding at schools that have high numbers of pupils with lower levels of SEND support.

4. Would such a change in approach introduce any negative impact for mainstream primary and secondary schools?

There is a potential negative impact on high attaining schools - which could be a disincentive to some schools but this is recognised through Ofsted inspections and league tables, etc. This could be minimised by putting additional funding into low prior attainment factor rather than re-distributing the same pot of money.

5. Please indicate whether you agree or disagree with the statements below, and in the comments box give the advantages and disadvantages of your preferred approach.



Agree - Local Authorities should retain the flexibility to develop, in consultation with their schools, their own method of targeting extra SEN funding to schools that need it.

Agree - Central government should provide more guidance for local authorities on how they should target extra SEN funding to schools, but local authorities should remain responsible for determining the amounts in consultation with their schools.

Disagree - Central government should prescribe a consistent national approach to the targeting of additional funding to schools that have a higher proportion of pupils with SEN and/or those with more complex needs.

Comments: As an LA, the targeted extra SEN funding was removed some years ago due to budgetary pressures in mainstream education health and carer plan Element 3 top-ups. Flexibility is needed to recognise and respond to local challenges.

6. It is helpful for local authorities to continue to calculate a notional SEN budget for each school, and for this information to be published, as now?

Somewhat helpful. It provides a guide to schools as to the level of SEND funding within their funding formula, however schools are free to decide how they choose to focus their funding to meet the needs of the schools and pupils.

7. For those responding from a school, who in your school(s) is involved in decisions about spending from the school's notional SEN budget?

No response

8. Should the national funding formula for schools include a notional SEN budget, or a way of calculating how much of each school's funding is intended to meet the costs of special provision for pupils with SEN?

Yes

Do you have any further comments on the notional SEN budget?

In order to ensure effective use of this notional budget, there should be a requirement for schools to publish their spend and the impact of this is the same way as for Pupil Premium.

9. Please indicate whether or not you agree with the following statements:

Agree - The level of the threshold makes little or no difference to the system for making special provision: it is the level of funding available to schools and local authorities that is crucial.

Not sure - The £6,000 threshold should be lower, so that schools do not have to make as much provision for pupils with SEN from their annual budgets, before they access top-up funding from the local authority. **It would be helpful to have further discussion about this at schools forum**

Not sure - The £6,000 threshold should be higher, so that schools have to make more provision for pupils with SEN from their annual budgets, before they access top-up funding from the local authority. **It would be helpful to have further discussion about this at schools forum**

Agree - The operation of the £6,000 threshold should take account of particular circumstances.



10. If you have agreed with the final statement in question 9, please indicate below which circumstances you think would be relevant for a modified threshold or different funding arrangement.

Not sure - Schools that are relatively small.

Yes - Schools that have a disproportionate number of pupils with high needs or EHC plans.

Yes - When pupils with EHC plans are admitted to a school during the year, which may create unintended consequences.

Other (please specify below):

- Where schools are increasing PAN and there is lagged funding.
- Where schools are successful and popular with parents.

11. If you are responding on behalf of a school, do you have a clear understanding about what provision is "ordinarily available" to meet pupils' special educational needs in your school?

N/A

12. How is it determined?

N/A

13. How is this offer communicated to parents?

N/A

14. Does your local authority make it clear when a child or young person requires an education, health and care (EHC) plan?

Yes

15. How is this articulated?

Published local offer - Ordinarily Available Provision document

16. Please indicate your agreement or disagreement with the following statements.

Somewhat disagree - The current funding arrangements help schools, local authorities and AP to work together and to intervene early where such action may avoid the need for permanent exclusion later.

No response - The current AP funding arrangements help schools and AP to reintegrate children from AP back into mainstream schooling where this is appropriate.

17. How could we encourage more collaboration between local authorities, schools and providers to plan and fund local AP and early intervention support?

Ensure that it is always more expensive to permanently exclude pupils than it is to explore support, managed transfers and the use of AP. We have a local agreement that ensures this is the case. Schools need to work in partnership to manage AP resource.

18. What changes could be made to improve the way that the AP budget is spent, to better enable local authorities, schools and providers to use the local AP budget to provide high quality AP, intervene early to support children at risk of



exclusion from school, or reintegrate pupils in AP back into mainstream where appropriate?

Mainstream schools need to openly and transparently understand the available budget and what this can provide. They need to be involved collectively in designing the provision but crucially in moderating access to the provision, reintegration from it and overall resource management of capacity. Leapfrogging process and moderation through permanent exclusion cannot be an option, as this leaves individual schools able to expedite access.

19. Please use the box below to share any examples of existing good practice where local authorities, schools and AP settings have worked together effectively to use the AP budget to provide high quality AP, intervene early to support children at risk of exclusion from school, or reintegrate pupils in AP back into mainstream where appropriate.

Portsmouth has an inclusion support panel, where all secondary schools and primary school representatives gate keep and resource manage the AP provision. This includes peer moderation of the cases being brought. Essentially it is a principle of everyone collectively agreeing based on pupil profile, which places should be made available in AP to which children because the base cost of places comes from the pot that has been top-sliced from them all. They also have agreed principles of prioritisation around the waiting lists.

20. Are there aspects of the operation of the funding system that prevent young people from accessing the support they need to prepare them for adult life?

The current funding mechanism is designed for full year programmes and a full-time learning hours. There is no funding for short courses and provision less than the identified guided learning hours which reduces choice in opportunities that will help prepare young people for adult life

21. Notwithstanding your views about the sufficiency of funding, please describe any other aspects of the financial and funding arrangements that you think could be amended to improve the delivery of provision for young people with SEN.

Place commissioning - we are required to commission places 12 months before we know which places are required which leads to uncertainty of funding for colleges and LAs. LAs and Providers have different understanding of the element 2 arrangements which makes it difficult to manage cross border places. Clearer guidance would alleviate this issue.

22. If you are able to provide any examples where local authorities and colleges have worked together effectively to plan provision to meet the needs for SEN support and high needs, please describe these below.

Even with careful joint planning there will inevitably be changes.

23. Are the current funding or financial arrangements making early intervention and prevention more difficult to deliver, causing costs to escalate?

Not sure. It would be helpful to have further discussion about this at schools forum

24. If you can you provide examples of invest-to-save approaches with evidence that they can provide value for money by reducing the costs of SEN support, SEN

provision or other support costs (e.g. health or social care) later, please describe these below.

Creating provision locally wherever possible.

25. If you think there are particular transition points at which it would be more effective to access resources, please indicate below those you believe would be most effective to focus on.

The transition from Year 6 in primary school to Year 7 in secondary school

26. Please describe as briefly as possible below changes that you think could be made to the funding system nationally and/or locally that would foster more effective collaborative approaches and partnership arrangements.

Greater clarity about health provision and health funding contributing to EHCPs, for example where pupils may have a tracheostomy and requires additional support for medical needs.

27. Are there any aspects of the funding and financial arrangements, not covered in your previous responses, that are creating perverse incentives?

- The complexity of the funding system creates a barrier to effective deployment of funding, i.e. the number of different income sources.
- The change in place funding arrangements for Resourced Provision / Inclusion Centres.
- The mid-year import/export adjustments and the level of authority funding uncertainty, particularly around post-16 arrangements.

28. What aspects of the funding and financial arrangements are helping the right decisions to be made, both in securing good provision for children and young people with additional needs, and in providing good value for money?

- An effective schools forum.
- Joint commissioning, e.g. out of city placements.
- Collaborative, open and accountable decision-making.

5. Equality impact assessment

- 6.1 Should changes be made nationally to the way in which High Needs funding is distributed to local authorities and schools, it would be advisable to conduct an Equalities Impact Assessment of the likely impact of these changes.

6. Legal implications

- 6.1 Schools Forum is a statutory body with decision making powers in relation to specific issues around school funding. In addition, local authorities have a statutory duty to consult with Schools Forum in relation to a number of matters regarding school funding. The recommendation proposed in this report will give

the Schools Forum the opportunity to provide input to the Department for Education in this Call for Evidence.

6.2 There are no legal implications arising from this report which require further legal comment.

7. Finance comments

7.1. The Dedicated Schools Grant (DSG), is governed by the School and Early Years Finance (England) (no.2) 2018 regulations and provides funding for children with special education needs and disabilities in mainstream schools via the both the High Needs and Schools blocks of the DSG grant. In 2019-20 mainstream schools received £16.7m notional SEN funding via their school budgets to cover the cost of additional support up to the value of £6,000 per pupil, plus a forecast £1.6m of additional Element 3 Top up funding for those pupils with Education, Health and Care Plans (EHCP).

7.2. Since 2015-16 the authority has seen an increase in mainstream pupils on average of 2% per annum¹ whilst the numbers of pupils have increased in receipt of element 3 top-up funding as part of their EHCP have increased by an average of 27%, with an associated average cost increase of 28% per annum. Whilst in recent years DSG high needs funding has increased, this has not been in-line with the increasing numbers of pupils in receipt of support.

7.3. The "Provision for children and young people with special educational needs and disabilities, and for those who need alternative provision; how the financial arrangements work", call for evidence, will provide an opportunity for both the authority and Schools Forum to present their views. The Department for Education's response will be published later in 2019.

Signed by: Alison Jeffery - Director of Children, Families and Education

Appendices:

Call for evidence - online survey questions

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
DfE Call for Evidence - background and online survey	https://www.gov.uk/government/consultations/send-and-ap-provision-call-for-evidence

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

¹ Based on October census data used to calculate mainstream schools budgets.