

Title of meeting: Cabinet Member Decision Meeting

Date of meeting: 14th January 2021

Subject: Inclusion Centre Funding Arrangements 2021-22

Report by: Alison Jeffery, Director of Children, Families and Education

Wards affected: All

Key decision: Yes/No

Full Council decision: Yes/No

1. Purpose of report

- 1.1 The purpose of this report is to seek the approval of the Cabinet Member for Children Families and Education on the proposals for funding mainstream schools with an Inclusion Centre for the financial year 2021-22 and onwards.

2. Recommendations

- 2.1 It is recommended that the Cabinet Member for Children, Families and Education agrees to the implementation of the proposal to move arrangements for mainstream schools with an Inclusion Centre, as set out in this report.

3. Background

- 3.1 Inclusion Centres are specialist education places for children with Education, Health and Care Plans, commissioned by PCC and delivered on the site of mainstream schools. They include:
- SEN units, where children spend the majority of the school day in specialist class bases, but can access mainstream classes, if appropriate and with support;
 - Additionally resourced provision, where children spend the majority of their time in mainstream classes, with additional specialist support as necessary; and
 - Alternative Provision, where pupils remain on the roll of their 'home' mainstream school but spend a period of time accessing the specialist support in the Inclusion Centre.



3.2 In Portsmouth, it has been agreed that all of the above types of provision are collectively described as 'Inclusion Centres' and contribute to the continuum of SEN provision that is described in the SEND Strategy and commissioned by PCC to meet children's additional assessed needs, as specified in their Education, Health and Care Plan.

3.3 Placement in Inclusion Centres is determined by PCC on the basis of:

- Statutory assessment of a child's special educational needs,
- Parental preference,
- Published admissions criteria for each Inclusion centre,
- Moderation via a specialist Inclusion Support Panel

Changes in placement are agreed via the statutory annual review process.

3.4 Inclusion Centres are funded according to 'place plus' funding i.e. they receive place funding for a specified number of places, regardless of how many places are filled, commissioned on an annual basis. The amount of place funding is nationally determined. In addition, they receive 'element 3 'top-up' funding for each filled place. Current commissioned places and top-up values are set out in the table below.

Table 1: Inclusion Centres in Portsmouth with current top-up funding levels

School	Type of provision	Place numbers	Current top-up value (2020-21) per annum
Devonshire	Primary SEN unit provision for children with communication and interaction difficulties (including Autism)	8	£2,090
Flying Bull	Primary alternative provision for children with social emotional and mental health needs	12	£6,290
Milton Park	Primary SEN unit provision for children with communication and interaction difficulties (including Autism)	14	£8,750
Northern Parade	Primary additionally resourced provision for children with sensory impairment	4	£110

Portsdown	Primary SEN unit provision for children with communication and interaction difficulties (including Autism)	9	£2,090
Southsea	Primary SEN unit provision for children with communication and interaction difficulties (including Autism)	8	£2,900
St Edmunds	Secondary additionally resourced provision for children with sensory impairment	9	£120
Trafalgar	Secondary SEN unit provision for children with communication and interaction difficulties (including Autism)	9	£2,920
Victory	Primary SEN unit provision for children with communication and interaction difficulties (including Autism)	23	£2,080

4. Reasons for recommendations

4.1 There are a number of issues with the current funding model:

- There is a perceived inequity because the funding levels vary between schools. This means that if a child were to move from one Inclusion Centre to another, the funding that the school receives would be different, even though the child's needs and specialist provision required would remain the same.
- The levels of funding set for each individual school are historic and not based on the actual cost of delivering the provision.
- Having just one 'band' of funding for each school means that schools are not able to put in place more specialist levels of support if required for an individual child, even if their needs and the provision specified on their EHCP warrant it.
- As special schools are funded according to a 'banded funding' model and now that the decision has been made to introduce a 'banded funding' model for EHCPs in mainstream schools, where the level of funding is linked to the child's assessed needs, Inclusion Centres will be out of line with the 'needs-led' funding model.

4.2 The proposed new banded funding model for Inclusion Centres addresses the above issues and enables a band of funding to be allocated to a child, dependent on their assessed needs as specified



in their Education Health and Care Plan. The level of funding the school receive to make this provision and meet their needs is therefore directly related to the level of support they require to ensure the provision in the EHCP is made.

- 4.3 The band of funding will be allocated by PCC SEN Team, according to published banding 'criteria'. These criteria set out the types of needs that would fit within each band and the range of provision that PCC expects to be able to be delivered. The proposed banding criteria for Inclusion Centres are included as an appendix to this report.
- 4.4 It is proposed that the banded funding model is applied to all Inclusion Centres. A funding band would be allocated as part of the Education Health and Care needs assessment process. Schools would be notified of the proposed funding band at the same time as they receive a copy of the draft Education Health and Care Plan, as part of the statutory consultation process to agree placement and confirm the Plan. Schools will be able to confirm, as part of this process that they are able to provide for the needs identified in the Plan, with the level of funding that has been allocated, or to seek additional funding if necessary. Funding bands will be reviewed at least annually, as part of the statutory annual review process. This will confirm that the funding band remains appropriate and enables support to be put in place to meet the assessed needs, or will recommend a change of band, if necessary. Annual reviews can be brought forward if there has been a change in need.

Table 2: Proposed funding bands for Inclusion Centres from April 2021

Funding Band	Proposed element 3 'top-up' funding level
Ordinarily Available Provision	£0
Core	£2,000
Enhanced	£4,300
Exceptional	£6,050
Highly Exceptional	£8,000

- 4.5 The funding levels included within table 2 are indicative. Funding levels will be confirmed once the allocation of funding for Portsmouth Dedicated Schools Grant High Needs Block has been confirmed by the Department for Education, however, it is anticipated that the final funding levels will not be less than the indicative levels included in the table above.

- 4.6 Financial modelling has been based on an assumption of a mix of bands at each of the Inclusion Centres, which is being 70% Core, 15% Enhanced, 10% Exceptional and 5% Highly Exceptional. Table 3 shows the existing funding and the proposed 2021/22 funding based on the band values in Table 2. This shows that the funding would be within the existing budget, and all Inclusion Centres would have an increase in funding apart from Milton Park Primary school. The actual funding will be based on the assessed needs of the individual pupils. Table 3: Comparison of 2020/21 funding and proposed banding funding for 2021/22

<u>LA Maintained Schools</u>	2020-21 Funding - Existing Rates	2021-22 Funding - Banded Rates	Variance
Devonshire Infant	£16,720	£22,350	£5,630
Milton Park Primary	£122,500	£42,650	(£79,850)
Portsdown Primary	£18,810	£22,350	£3,540
Southsea Infant	£20,300	£20,350	£50
St Edmunds	£1,080	£22,350	£21,270
Subtotal	£179,410	£130,050	(£49,360)
<u>Academies</u>			
Victory Primary	£47,840	£65,000	£17,160
Northern Parade Federated	£550	£18,350	£17,800
Trafalgar	£32,120	£38,650	£6,530
Subtotal	£80,510	£122,000	£41,490
Total	£259,920	£252,050	(£7,870)

5. Engagement with schools

- 5.1 In 2019 a working group involving PCC officers and representatives of all schools with an Inclusion Centre was established to review the funding model and consider alternatives. This group made the recommendation that a move to banded funding was the preferred option for mainstream schools with an Inclusion Centre, in line with special schools and with the proposal to consider banded funding for Education, Health and Care Plans in mainstream schools. A decision has now been made to implement banded funding for mainstream schools from April 2021, following consultation with all schools in October 2020.

- 5.2 Further to this, all schools with an Inclusion Centre were invited to a workshop session on 9th December 2020 to discuss the proposed changes. This workshop was an opportunity to ask questions and discuss the potential implications of these proposals to change the way that Inclusion Centres are funded. All schools with an Inclusion Centre were written to following the workshop session and invited to give feedback as to the proposed change.
- 5.3 Responses were received in writing from 3 schools. Of these, 3 stated that they were in agreement with the proposal to introduce banded funding for Inclusion Centres. None stated that they were not in agreement with this proposal
- 5.4 In addition, schools were invited to ask questions and seek further clarification. The following questions were raised:

Table 4: Questions raised by schools regarding the proposed changes

	Question	Response
1	As the banding decision will be made at annual review meetings, will the current process need to be adapted at all and will the current form provide enough evidence necessary to support the enhanced or exceptional band?	Annual Review meetings will need to consider whether the band of funding remains correct. This will be the case for all children with an Education Health and Care Plan, not just those in Inclusion Centres. Requests to change the band of funding will need to be evidence-based, as is the case for any changes of funding now.
2	Will there be any support / protection offered to support fluctuating funding? We are usually unaware of our allocated children until late June and yet the school's budget needs to be set in May. Therefore this could have a huge impact on staffing and budgets moving forward.	The number of commissioned placements in each Inclusion Centre is always confirmed in January for the following September. New placements are confirmed via a number of specialist panels that take place during the Spring term. Schools are always involved in the specialist panels and so will be kept informed of potential and then confirmed placements as early as



		possible. This should keep any fluctuations in the budget to a minimum.
3	Is there any way of obtaining an indicative amount of funding based on the current cohort within the provision to ensure we are in agreement with the banding?	The SEN team are able to advise on which 'band' current children are likely to be in, depending on their level of needs and the corresponding banding criteria.

5.5 In light of the responses received, it is proposed that Inclusion Centre places are funded according to the banded funding model set out below from April 2021, in line with the changes to funding for EHCPs in mainstream schools.

6. Integrated impact assessment

- 6.1 This report and the proposals within form part of, and are consistent with, the national implementation of the schools and high needs National Funding Formula as directed by the Department of Education and set out in the School and Early Years Finance (England) Regulations 2020.
- 6.2 The DfE has conducted a full Equality Impact Assessment which is attached to the Policy document and can be found on their website . The funding system does not seek to target funding by reference to particular protected characteristics under the Equality Act 2010, but instead targets funding to those groups which the evidence demonstrates face barriers to their educational achievement.
- 6.3 An Integrated Impact Assessment (IIA) has been completed and is attached at Appendix 2. It confirms that the proposals will not have a negative impact on areas of equality and diversity, communities & safety, regeneration & culture, environment and public space.

7. Legal implications

- 7.1 Local authorities are required to allocate the government funding for the provision of education in accordance with the School and Early Years Finance Regulations 2018 and 2020. Those regulations set out requirements for consultation with schools and school forum when determining budget shares etc, for certain maintained schools and early years providers.
- 7.2 The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and



institutions to meet their statutory duties under the Children and Families Act 2014 (the Act).

- 7.3 Under section 27 of the Act the local authority is under a duty to keep under review the educational provision, training provision and social care provision made in its area for children and young people who have special educational needs or a disability.
- 7.4 Section 37 of the Children and Families Act 2014 provides:
(1) Where, in the light of an EHC needs assessment, it is necessary for special educational provision to be made for a child or young person in accordance with an EHC plan—
(a) the local authority must secure that an EHC plan is prepared for the child or young person, and (b) once an EHC plan has been prepared, it must maintain the plan.
- 7.5 Section 42 of the Children and Families Act 2014 provides, as relevant:-
(2) The local authority must secure the specified special educational provision for the child or young person.
(6) 'Specified', in relation to an EHC plan, means specified in the plan.
- 7.6 The recommendations in this report are intended to ensure that the level of funding at each band will continue to meet the needs specified in EHCPs.
- 7.7 Section 149 of the Equality Act 2010 requires public authorities in the exercise of their functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 7.8 An Equalities Impact Assessment (EIA) has been undertaken in relation to the proposed funding arrangements. These arrangements are intended to ensure children and young people are not disadvantaged. The arrangements aim to provide a fairer, more transparent and equitable approach to funding allocation, based on need so that children presenting with similar needs are funded at the same rate.

8. Director of Finance's comments

- 8.1 Based on the latest pupil information, this would increase the costs to the High Needs Block by £24,000, although this will fluctuate depending on the needs of the pupils.

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Signed by:

Appendices:

- Appendix 1 - proposed banding criteria for Inclusion Centres
- Appendix 2 - IIA

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

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

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Signed by: