

Meeting: Schools Forum
Date: 19 September 2016
Subject: High Needs Block of the Dedicated Schools Grant (DSG)
Update report regarding review of top-up element of high needs places and EHC Plans/Statements.

Report of: Director of Children's Services

Summary: This report sets out the work agreed by the High needs Block Technical Sub Group regarding reviewing Top up payments for high needs placements and EHC Plans/statements.

Contact Officers: Helen Redding, Assistant Director School Improvement

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS: That the Schools Forum consider the update and:

- 1. Support the allocation of a 3 percent increase to the value of the top up element for the banding levels of statements and EHC Plans.**
- 2. Support the methodology for recalculating the top up element for specialist provision places.**
- 3. Note the work completed to date and ongoing work regarding reviewing the top up rates for special schools and ACB.**

Background

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| 1. | The Schools Forum powers and responsibilities 2015 to 2016 were amended in March 2015 and now include additional functions in relation to the High Need Block as set out in paragraphs 2, 3 and 4. |
| 2. | The Local Authority must consult annually and ask the Schools Forum for a view on financial issues relating to: <ul style="list-style-type: none">• Arrangements for pupils with SEN, in particular the places to be commissioned by the Local Authority and schools and the arrangements for paying top-up funding;• Arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding. <p>The Schools Forum should inform governing bodies of all consultations</p> |

3.	The Local Authority can propose and the Schools Forum decides on central spend on special education needs transport costs. The DfE adjudicates where schools forum does not agree the Local Authority proposal.
4.	The Local Authority decides central spend on children and young people with high needs. The Schools Forum has no powers or responsibilities in relation to this, but it is good practice to inform the forum.
5.	The Local Authority had anticipated consulting with schools regarding proposed changes High Needs Block by the DfE at its second stage of consultation. This was delayed by the DfE until the Autumn Term. Once this is published the Local Authority will consider with Schools Forum any required further local consultations.
6.	At the Schools Forum meeting of 26 January 2015 it was agreed to set up a High Needs Block Technical Sub Group. Terms Of Reference were agreed at the 15 June Schools Forum Meeting. School Forum Members who put themselves forward for this group were Shirley Crosbie, Sue Howley, Sarah Mortimer, Peter Cohen, John Street, David Brandon-Bravo and Ali Brabner. The group has met on a number of occasions over the last year.
7.	The contracts were considered at the High Needs Block Technical Sub Group at their meeting on 7 December 2015. The contract monitoring reports were shared and the data on caseloads considered. This was reported to Schools Forum in January 2016.
8.	Over further meetings the Technical Sub Group looked at models of top up funding from other Local Authorities. It was noted that there was no consistency across Local Authorities.
9.	It was recognised that there had been no change to the top up element for mainstream statements and EHC Plans in Central Bedfordshire for some years. The majority of top up contributes to staffing salaries so it was agreed that there should be some uplift to reflect the increase in staffing costs.
10.	A discussion was held regarding a more radical move that was based on funding actual provision identified on the plan, rather than at a banding rate, at an agreed rate for support hours. It was agreed as a positive direction of travel, but it was felt that with a national consultation imminent could change the mechanism for funding, a radical change was not appropriate at this given time.
Top up funding for Statements and EHC Plans in mainstream settings	
11.	Following discussion it was agreed to model a 2% and a 3% uplift on funding bands, with a preference for funding at a 3% increase due to the increases in staffing costs to schools. This modelling is reflected in Appendix 1 based on numbers of pupils in July 2016.
12.	Band A is a historic band that previously related to top up for pupils in specialist provisions. The mechanism for funding specialist provisions was changed in 2013, when it moved from a Banding Level to a £10k place element plus top up.
13.	Based on July 2016 numbers this would have an annual impact of £110,314. If this was agreed with a September 2016 implementation date, this would have an in year impact of £64,350 in 2016/2017. If numbers of EHC Plans continue to rise as they have been, this cost would increase accordingly.
Top up in Specialist Provisions	
14.	The specialist provisions all receive a place element of £10k per place for the number of places commissioned at the school. Admissions can happen across a school year.

15.	Prior to April 2013, Specialist SEN Provisions in Mainstream Schools were funded on an amount per the number of places commissioned. Additionally these schools received the Age Weighted pupil Unit (AWPU).
16.	From April 2013, the change in School Finance Regulations meant that Specialist SEN Provisions received a base level funding of £10,000 per place on the basis of the agreed number of places.
17.	The Top-up funding was agreed at the same level as Specialist Provisions had been funded historically and as agreed at their set-up. The Top-up element is paid by the Local Authority that commissions that place.
18.	At the 24 March 2014 Schools Forum it was noted that specialist provision schools had been disadvantaged by the removal of AWPU from provision places, and so it was agreed to increase the top up value by the amount of AWPU per key stage. This led to variation in value of top up across some schools.
19.	It is proposed that we take the average of the top up elements in those types of provisions that have a differential value, that is Autistic Spectrum Condition (ASC) provisions and Hearing Impairment (HI) provisions, and then increase by 3% in line with mainstream top ups. This was modelled on both 2% and 3% with a preference expressed for 3%.
20.	In the ASC provisions this model leads to an increase in top up value in all except the upper/secondary provisions, where there is a small reduction in value of £657 per place. Overall it leads to an increase in annual cost of £15,405. The alternative option would be to fund the average as calculated for the Lower, Primary and Middle Schools, and keep Manshead and Samuel Whitbread funded at their current rate, so that they do not see a reduction.
21.	The HI provision is managed through a contract with HAST, and so the schools pay the money on to HAST. The places are notionally allocated as 8 to Toddington St George, 8 to Parkfields and 4 to Harlington Upper, but numbers in each vary year on year. The net impact in a year is an increase of £13,400.
22.	It is proposed that the top up in other provisions for social, emotional and mental health needs (SEMH) and speech and language needs (SALN) is increased by 3%. This has an annual impact of £16,408 in SEMH and £528 in SALN provision costs.
23.	The total annual impact of these changes would be £45,741. If this was agreed with a September 2016 implementation date, this would have an in year impact of £26,682 in 2016/2017.

Special Schools

24.	This piece of work is still ongoing. The technical Sub Group agreed that modelling should be done on a similar basis to provisions, with a 2% and a 3% uplift considered.
25.	There are some discrepancies between the funding levels in different schools against the same descriptors due to some historical factors that were tipped into the top up element for each school.
26.	We have considered current spending in schools and are reviewing some of the historical factors that impacted on the funding levels to ensure that all that needs to be considered in reviewing funding levels is taken into account.
27.	There is still work to complete on this with the special school heads regarding elements of these, and so this will be reported to Schools Forum once this work is complete.

Academy of Central Bedfordshire (ACB)	
28.	From September 2016 the Local Authority commission 100 places at the ACB with a place element of £10k which is received from the Education Funding Agency (EFA) and a top up of £8,005 per place paid by the Local Authority.
29.	We have been working with the Executive Head of the Academy of Central Bedfordshire and he has drafted descriptors for funding levels for ACB pupils that mirrors the descriptors used for special school banding levels. These describe the range of pupil needs and the type of provision they might need to meet those needs. This can then be calculated as a funding value. (attached as Appendix 2)
30.	The higher level need pupils that currently attend the ACB usually require intensive support, and many require an Education, Health and Care (EHC) Assessment and may require a place at Oak Bank in the future.
31.	A Free School Bid is currently being developed by Oak Bank School and The Academy of Central Bedfordshire for a smaller Alternative Provision Free School that focuses on pupils with these higher levels of need that the ACB is currently finding it difficult to accommodate. It is anticipated to be part of a Multi Academy Trust structure. If this is successful, it is expected that the ACB will no longer accommodate this group of pupils, at which point this Banding Level will not be required at the ACB as pupils with that level of need will no longer attend there.
32.	There is still some work to complete on the financial modelling for the banding levels and this will be reported to Schools Forum at a later date.
Conclusion and next steps	
33.	The financial impact in year of what is proposed regarding mainstream statements and EHC Plans and Specialist provisions in 2016/2017 is £91,032
34.	The full year financial impact subject to changes in numbers of pupils with statements and EHC Plans is £156,055
35.	The completed work regarding funding modelling for ACB and Special Schools will be reported to the next Schools Forum meeting. It was the view of the Technical Sub Group that all changes should be implemented from September 2016, and so once this work is complete, this will be factored into the costs.
36.	High Needs Block should increase as numbers of pupils in Central Bedfordshire increase. The EFA will not agree growth in special school places unless they are significant, so we are funding additional places required from High Needs Block. This may change following the High Needs Block consultation. Where EFA agreed places are taken up, if other Local Authorities request a place, the £10k is also charged by the school.
37.	As predicted with growing demand on places and an increase in EHC Plans, the SEN Contingency budget is being utilised and anticipated to be fully spent in 2016/2017.

Appendices:

Appendix 1: Financial Modelling

Appendix 2: Banding Descriptors ACB