

WESTMINSTER CITY COUNCIL

SCHOOLS' FORUM 27 JANUARY 2014

REPORT BY THE HEAD OF RESOURCES

UPDATE ON HIGH NEEDS REFORMS IN WESTMINSTER

This report updates Schools' Forum on the funding for the High Needs Block in WCC for 2014-15.

FOR DECISION

1. Background

- 1.1 The changes for "High Needs" form part of the DfE's overall Schools Funding Reform. Under these changes the funding which comes in via the DSG will be in three separate blocks: Schools' Block, Early Years' Block and High Needs' Block.
- 1.2 The Education Funding Agency (EFA) is continuing to clarify funding for pre-16 and post 16-24 High Needs' Pupils
- 1.3 The DfE announced the **provisional** School Funding Settlement for 2014-15 on 18th December 2013 as noted elsewhere on this agenda.
- 1.4 Pre-16 and Post 16 allocations will not be finalised until February/March after consideration of all authorities and provider submissions to EFA by 23rd December 2013.

2. Introduction

- 2.1 This section builds on schools forum consultation (autumn term 2013) and covers funding for high needs pupils in the following education provision:
 - additional funding to mainstream schools and early years providers for pupils with high needs
 - special schools
 - resource bases in mainstream schools
 - pupil referral units
 - pre and post 16 provision for special needs
- 2.2 Funding for high needs pupils will be on a 'place plus' model, with schools or settings receiving an amount per place from the main school formula with the remainder paid as 'top-up' on a per-pupil basis.
- 2.3 The Local Authority is keen to work with head teachers to take forward an approach to distribution of the High Needs Block to best meet the needs of young people with SEN (0-25 years). It is proposed that the associated risk of the

additional financial responsibility for children from 0 and up to 25 years is best managed through the local authority and schools working together in partnership. The Local Authority is keen to enable head teachers to share the management of the effects of spending decisions on the system as a whole and encourages collective ownership of the high needs block for the benefit of all RBKC's children and young people with high needs.

3. High Needs Block Reference Group

- 3.1 Following autumn term 2013 schools forum meetings the Local Authority and representative head teachers have established a High Needs Block Reference group. The function of the reference group is to establish a consistent and agreed approach to the distribution of high needs spend against pupil distribution and in the longer term to monitor this distribution and jointly manage a small top sliced SEN 'contingency' for those schools presented with exceptional high needs and with limited high needs budget.
- 3.2 A key focus of the High Needs Reference Group will be to support the development of the mainstream Local Offer from Schools Block notional SEN budget and delegated High Needs Block Funding.
- 3.3 *Schools forum is asked to note the membership and approve the terms of reference for the High Needs Block Reference Group.***

4. Funding for High Needs pupils in mainstream schools

- 4.1 High needs pupils in mainstream schools funded through three elements:
- Element 1 – the basic per-pupil entitlement (per-pupil funding) funded through the main school formula ('place' funding),
 - Element 2 – additional educational support funding from the school's notional SEN budget set at £6,000 (for additional support provision over and above the standard offer of teaching and learning). The expectation is that per pupil funding + £6000 = approx. £10K, the benchmark for 'high needs' ('place' funding).
 - Element 3 is top-up funding which is paid by the relevant local authority from their high needs block on a per-pupil basis ('plus' funding).
- 4.2 The aim would be to establish a tri-borough approach to High Needs Funding that supports the establishment of a transparent tri-borough mainstream Local Offer of provision that is ordinarily available in mainstream schools. This will form the basis of the LA's agreement and/or contract with schools.
- 4.3 Schools will receive funding for high needs pupils through Elements 1 and 2 (in the schools block and received by schools in their budget) .

The schools' block notional SEN funding is intended as an allocation to meet the needs of pupils with predictable additional learning needs and is to cover the cost

of children's provision up to £6,000 per pupil (a figure determined by Government). The School's Block Notional SEN calculation is shown on the Schools Formula paper -AWPU 7.5% and Low Attainment 100%.

- 4.4 Top up funding is for those pupils' whose provision costs over and above £6,000 (Element 2). This is referred to as 'high needs top-up' (Elements 3,4 and 5).
- 4.5 Schools Forum were consulted about a model for distribution of High Needs Block funding which delegated a greater proportion of the Top Up funding for pupils, such that those pupils who had a need for provision that costs over and above £6000 and up to a total of £12,000 (£6K Schools' Block – Element 2 and £6K High Needs Block – Element 3 – see Appendix A) had this funding within their school budget, on the basis of a factor formula).
- 4.6 The proposal is to align the approach to High Needs Funding during the summer term by moving to a genuine Top Up model, within the current level of delegation and then progress to a tri-borough funding approach from September 2014, as set out below.
- 4.7 Tri-borough children's services will offer a Service Level Agreement to schools. For those schools that take up this SLA the LA will make Top Up payments for children regardless of the child's Borough of residence and will undertake recovery from other Boroughs on behalf of the School. Schools may choose to fulfil this function themselves in which case the schedule of payments will be for tri-borough children only.

5. September 2014 onwards

- 5.1 To achieve a consistent and robust mainstream Local Offer which delivers according to the outline expectations. It is proposed that the Tri-borough works towards a greater level of delegation (up to 20 hours). This is a key task for the HNB reference group during the remainder of the spring and summer terms.
- 5.2 The aim going forward, is to be clear about the tri-borough strategy for allocating top up funding in our Local Offer, including delegation of up to £6K of Top Up, High Needs Block funding to provide for children with additional learning needs. The basis for distribution relating primarily to the factor of additional learning (60% prior attainment and 40% number on roll). This resource would then be regarded as 'normally available' provision within the Local Offer, which is the crux of the matter from the legislative perspective.
- 5.3 The Local Authority is keen to working closely with head teachers on the HNB reference group to develop the 'Mainstream Local Offer' which clear describes the level of support and/or interventions available for children with additional learning needs that could be met within a mainstream education setting/school from Elements 2 and 3 funding.
- 5.4 ***Schools Forum is asked to note the change to the approach to payment of Top Up funding from April 2014.***

6. HIGH NEEDS BLOCK ITEMS FOR 2014-15

6.1 Mainstream Schools and Recoupment Academies in RBKC

6.1.1 The Schools Formula Paper on the agenda (Paper A3) confirms a transfer from High Needs Block of £0.864m as detailed in the table below:

Table 1 – Schools Funding Formula Threshold Change Reception – Yr 11

% Statements > £6k / NOR+R uplift	Nos		AWPU (£)	Low Attainment (£)	Total Formula (£'000)
1.0%		Primary	21.18	7.00	£475
1.0%		Secondary	41.07	21.18	£517
1.0%		Total			£992

6.1.2 All mainstream schools, academies including non-recoupment academies and free schools will receive these increases as part of their 2014-15 schools block formula allocations.

It should be noted that maintained schools will be part of the new funding process from 1st April. However for recoupment academies the funding arrangements will be managed by the LA until the end of August and from the 1st September from the EFA in line with the academic year via recoupment.

6.1.3 The table below confirms the proposal for holding monies within the High Needs Block to be paid directly to schools and the school by school detail is shown at Appendix A.

Table 2 – Summary of High Needs changes

Detail	£'000
Base 270 statements (£6k)	1,600
Formula @ 1%	1,000
HN Formula £6k for schools contributing significantly to SEN statements including contingency	600
Total Formula + High Needs to Schools	1,600
Additional pressure to support schools in 2014/15	100
Total cost for maintained schools and recoupment academy	1,700

Appendix A provides the detailed calculations for the above.

6.1.4 A budget will be maintained in the high needs block to pay for those schools most affected by the change.

6.1.5 If Schools within the funding formula are not to lose out on any funding for the technical change the individual contributions from High Need Block are quantified at £600k based on the model of 1% threshold for primary schools and 2% threshold for secondary schools. For 2014/15 the proposal is to further support the small variances to ensure schools do not lose funding. This will create a cost pressure of £100k to be met from High Needs.

6.1.6 Schools Forum will be asked to agree these additional one-off payments to be made from the High Needs Block overall allocation.

6.2 EFA High Needs Return (Pre and Post 16 places)

6.2.1 The EFA return was made by the deadline and the summary page is attached at Appendix E.

6.2.2 The outcome of the High Needs return is expected in late February or early March as part of the return is critical in setting individual schools budgets by 28th February 2014. The outcome may increase the level of High Needs Block.

6.2.3 At this stage there is no evidence of any funding transfers from care or health budgets to deal with potential changes to come into effect from September 2014

7. SUMMARY OF ADJUSTMENTS TO HIGH NEEDS BLOCK

7.1 The additional transfer into Funding Formula from Westminster's High Need Block is a £491k.

7.2 Two discretionary amounts to stay within the High Needs Block for payment to Schools as outlined in table 2.

7.3 Any other adjustments will be discussed by working party and considered by Schools Forum after finalising the total High Needs Block to be received.

8. RECOMMENDATIONS

8.1 Schools' Forum is recommended to make comments on any part of this paper, and specifically agree:

- The content of Appendices A and B
- Note the proposals to change from April and September
- The Transfer to Schools Formula £491k (Appendix A part)
- Note a budget will be maintained in the high needs block to pay for those schools most affected by the change

Alison Farmer
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Background papers:

DfE funding settlement 19th December 2013/14:

<http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/a00218077/funding-settlement-2013-14>

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