

**Report to:** Schools Forum

**Date:** 8<sup>th</sup> March 2013

**Report of:** Director of Childrens Services  
Director of Corporate Resources

**Report  
No:**

**Contact Officer:** Julie Edwards  
Manager - Schools Finance Unit

**Tele No:** 332035

**Report Title:** **High Needs Block**

**Confidential /  
Non Confidential:** This report does **not** contain information which warrants its  
consideration in the absence of the press or members of the public

**Purpose:** The report outlines the headlines relating to the High Needs Block  
within the School Funding Reform

**Recommendations:** The Schools Forum is asked to note the contents of the report.

**Decision:**

**Background  
Doc(s):**

## **1. Introduction**

From 2013-14 the Dedicated Schools Grant (DSG) will be split into 3 blocks:-

- Schools Block
- Early Years Block
- High Needs Block

These blocks are not ringfenced, however, DSG will continue to be ring fenced as a whole.

This reports sets out the content within the high needs block.

## **2. Background**

The aim is for a set of funding arrangements for pupils and students with high needs that is responsive to the needs of individuals and supported by clear information in the form of a local offer about high needs provision available in schools, colleges and other providers.

The reforms include pupils with high needs in School, Further Education and Alternative Provision

The new funding approach aims:-

- to be responsive to individual pupil needs
- for all providers to be funded on an equivalent basis
- to bring pre 16 and post 16 provision together
- to provide clear information about available provision

The following activities will be funded from the High Needs Block :-

	Description	Estimated Budget
Top up funding – maintained providers	Nursery, Primary, Secondary and Special Schools and Pupil Referral Units	£11,645,000
Top up funding – academies & free schools		£ 355,800
Top up funding – Independent providers	Independent Special Schools and FE colleges	£ 3,046,000 *
SEN support services	Ladywood Outreach, Sensory support, FOCUS	£2,987,900
Support for inclusion	ACIS, ESWs, PfS	£1,009,500
Sen transport	Only as a result of a saving in DSG. All other transport funded from LA Block.	
Subtotal		£19,043,200
Plus Place Funding	Special Schools and Resourced Provision	£6,276,300
<b>Total High Needs Block</b>		<b>£25,319,500</b>

\*FE colleges figure not included as not yet confirmed

The report focusses on the top up funding elements of the High Needs Block.

### **3. Funding Elements**

The new approach will be based on a combination of base funding and individual pupil led funding.

A pupils funding will involve three elements:-

- **Element 1** - core education funding – per pupil factor for all pupils within the sector
- **Element 2** - additional support funding for the pupil
- **Element 3** - Top-up funding – funding in addition to the above required by an individual student based on pupils assessed needs.

	Element 1	Element 2	Element 3
	<i>Notional £4,000</i>	<i>£6,000</i>	<i>Above £10,000</i>
Maintained Schools and Academies	Formula Funding	Formula Funding	Statements
Special Schools	Place Funding	Place Funding	Top Up per pupil
Post 16	Formula Funding via Education Funding Agency	Formula Funding via Education Funding Agency	Top up per pupil

Note – 6<sup>th</sup> form students within special schools will receive place funding direct from the EFA.

### **4. Maintained Schools and Academies**

Maintained schools and Academies are required to contribute the first £6,000 of additional educational support required by each pupil with high needs, in addition to mainstream per pupil funding.

Historically, in Bolton, when allocating a statement of special educational need it was assumed that the school was contributing £3,000 to a pupils additional need therefore an additional £3,000 was required to be transferred to the funding formula to make the £6,000.

This has been transferred from current statements and is illustrated in the diagram below:-

	Future Funding Arrangements	Current Bolton Arrangements
Element 1	£4,000 notional	£4,000 notional
Element 2	£6,000	£3,000
		↑ <i>Transfer £3k (6 hours) per statement to make element 2</i> ↑
Element 3	Top Up Funding from Statement	Top Up Funding from Statement

The £3,000 funding transferred to the schools funding formula has been allocated using the proxy indicator of prior attainment (in Primary less than 78 points in Early Years Foundation Stage Profile and in Secondary not achieving level 4 at Key Stage 2 in both English and Maths)

#### Statemented Pupils achieving higher than 78 points EYFSP or Level 4 KS2

The funding reforms mean that a pupil who is statemented and achieves higher than the attainment level set to attract low cost high incidence funding (higher than 78 points in EYFSP/level 4 in KS2) will lose funding.

The regulations allow for additional funding to be paid from the High Needs Block in such circumstances, if agreed by the Schools Forum.

A request has been submitted to the Information Management Unit for the data to see how many pupils are affected and this will be presented to the Formula Review Group at its next meeting.

#### Matrix Funding and provision mapping

Current statements will continue and will be adjusted as described above.

From September 2013 matrix funding will be introduced, schools will be able to apply for additional funding from the High Needs block once they have demonstrated that the pupil has had access to appropriate support and intervention over a period of time and that £6,000 has been contributed from the Schools budget, this will be evidenced by a process known as provision mapping.

## 5. Special Schools

Place funding - To provide stability of funding in Special Schools a base level of funding will be introduced, this will be set at £10,000, to reflect Element 1 and Element 2 funding.

This will be paid to schools on the basis of an agreed number of planned places in the setting. The number of planned places funded at a school will be reviewed on a regular basis to reflect local patterns of need.

Top Up Funding – Each category of pupil in special schools has been banded in a matrix to reflect the staffing ratios required for the pupil.

The categories of pupils in special schools are:-

Moderate Learning Difficulties	MLD	Rumworth/Ladywood/ Greenfold
Specific Learning Difficulties	SLD	Rumworth/Ladywood/ Greenfold/Firwood
Profound and Multiple Learning Difficulties	PMLD	Rumworth/Ladywood/ Greenfold/Firwood
Autistic Spectrum Disorder	ASD	Rumworth/Ladywood/ Greenfold/Firwood
Emotional and Behavioural Difficulties	EBD	Lever Park
Hearing Impaired	HI	Thomasson Memorial

Each category contains pupils that have been categorised as either level 1 or level 2, level 2 indicating 1:1 support is necessary. Hearing Impaired has 3 categories due to the individual circumstances of the school.

There have been a number of meetings between Local Authority officers and the Special School Headteachers to determine the ratio's and top up rates. These ratios and the associated cost are attached at Annex A.

The top up rates have been scaled down by 3.6% due to affordability of the formula.

## 6. Post 16

Previously post 16 pupils were funded in various ways depending on the setting where the student is attending, this may be a special school, maintained 6<sup>th</sup> form or a further education provider. As part of the funding reforms the Council becomes the commissioner for post 16 high needs places and therefore becomes the budget holder.

Post 16 changes are implemented from August 2013.

### **Role of the Local Authority**

The local authority will be the commissioner of specialist provision and have responsibility for providing top up funding for those children and young people assessed as requiring provision costing more than £10,000.

The local authority will have the strategic role to ensure that the right provision is available in the right place at the right time and will need to engage with the providers to commission/agree pre planned places and liaise with the EFA regarding the outcome.

### **Role of the Education Funding Agency**

The EFA will allocate and distribute the national High Needs Block budgets to local authorities. They will review the commissioners and adjust base funding to reflect the specialist places needing to be commissioned.

### **Role of the Provider**

Providers will be accountable for progress and addressing identified needs in individual children and young people. Providers will be expected to publish a local offer as to how they will meet additional needs for children/young people attending their provision. This needs to be transparent and readily accessible to parents.

### **Business Case**

The Authority will receive £4,200 per high needs student to fund element 3 for all providers, this will leave the high needs block with a shortfall therefore a business case has been submitted to the Education Funding Agency, this was requested if the Authority believed that the process has had a disproportionate effect on it's overall budget.

The basis of the business case was for the following reasons:-

- Forecast numbers had been reduced by 22% in each setting (247 projected numbers, 209 funded numbers)
- The impact of a Special School with a 6<sup>th</sup> form is significant as they have a much higher top up per pupil than other providers.
- The impact of increased numbers at Bolton College and Bolton 6<sup>th</sup> Form college
- The impact of the increase in specialist independent settings

## **7. Inter Authority Payments**

Previously Local authorities dealt with cross border pupils via a recoupment process that was administered centrally.

As part of the funding reforms this process will disappear and the commissioning Authority will deal with the provider school directly.

The Authority will be helping schools with this as much as possible, for example by providing contact details in other authorities.

## **8. Increased Demand on High Needs Block**

The allocation of high needs funding does not take into account the growing population and the increased demand this places on resources for high needs pupils which includes special school places, top up funding and access to outreach and specialist services which the local authority will need to provide for children and young people with SEN.

This has been raised with the Department for Education as an issue, and the response was that it is being considered as part of the next spending review. Schools Forum should be aware of this pressure and its potential impact within the Dedicated Schools Grant.

## **9. Recommendations**

The Schools Forum is asked to note the contents of the report.

Category	Staffing	Ratio	Funding per Pupil	Top up Funding per Pupil
<b>MLD – Level 1</b>	Teacher	1:10		
	Teaching Assistant	1:10		
			<b>10,000</b>	<b>0</b>
<b>SLD – Level 1</b>	Teacher	1:7		
	Teaching Assistant	1:7		
			<b>12,281</b>	<b>2,281</b>
<b>PMLD – Level 1</b>	Teacher	1:5		
	Teaching Assistant	2:5		
			<b>22,899</b>	<b>12,899</b>
<b>ASD – Level 1</b>	Teacher	1:5		
	Teaching Assistant	2:5		
			<b>22,899</b>	<b>12,899</b>
<b>MLD – Level 2</b>	Teacher	1:10		
	Teaching Assistant	1:1		
			<b>34,272</b>	<b>24,272</b>
<b>SLD – Level 2</b>	Teacher	1:7		
	Teaching Assistant	1:1		
			<b>36,734</b>	<b>26,734</b>
<b>PMLD – Level 2</b>	Teacher	1:5		
	Teaching Assistant	1:1		
			<b>40,016</b>	<b>30,016</b>
<b>ASD – Level 2</b>	Teacher	1:5		
	Teaching Assistant	1:1		
			<b>40,016</b>	<b>30,016</b>
<b>EBD – Level 1</b>	Teacher	1:9		
	Teaching Assistant	2:6		
			<b>19,083</b>	<b>9,083</b>
<b>EBD – Level 2</b>	Teacher	1:6		
	Teaching Assistant	2:6		
	Teaching Assistant	1:1		
			<b>47,611</b>	<b>37,611</b>
<b>HI – Level 1</b>			<b>16,591</b>	<b>6,591</b>
<b>HI – Level 2</b>			<b>20,739</b>	<b>10,739</b>
<b>HI – Level 3</b>			<b>24,886</b>	<b>14,886</b>