

RESEARCH ON FUNDING FOR SEN –JULY 2015

Formulaic Approach to funding

1. Since the high-needs funding reforms were introduced in 2013, the research indicated that historic spend does not appear to match very closely with current levels of need and the current distribution of the high needs block funding was not sufficiently transparent, objective or fair.
2. There is therefore a strong argument in favour of moving from a distribution based on historic levels to a formula-based allocation.
3. A standardising and weighting of a 'basket' of indicators (eg deprivation, prior attainment, disability, health) could be used and this would be more objective, and easier to explain.

Core Funding for mainstream schools pre-16 – First £6,000

4. The permitted factors that are used to target funding include both prior attainment and deprivation. The funding challenge is that any formula based method of allocating resources will not be able to reflect differences in the size of a school's SEN population, rather than underlying demographic etc factors. Consequently there are some schools struggling to meet the first £6000 from their base budgets.
5. Positively, some schools had used the reforms to reshape their provision.
6. To reduce inequities it is recommended that:
 - Local Authorities work with their schools to agree a 'core entitlement' which all schools in a local area will provide for children and young people with SEN. This would be published in the local offer.
 - The DfE should publish clearer guidelines and sharper, national direction to clarify expectations of the system and create a greater consistency in what schools should be looking to do with in the first £6000.
 - The DfE should consider using the DLA as an additional factor in school funding formulae.

Core Funding for mainstream schools pre-16 – Notional Budgets

7. The notional SEN budget is a proportion of the schools' base funding which is 'notionally' set aside for the use to meet the needs of pupils with SEN. The researchers found that notional SEN budgets appeared to correlate poorly with levels of reported need and vary greatly from school to school which cause confusion and inconsistent spending decisions.
8. The research suggest that the DfE should remove notional SEN budgets from the funding system for mainstream schools, replacing this with clear expectations of what all schools should provide along with a financial planning tool to guide schools' decisions about spending on SEN.

Local Authority Allocation of Resources outside the formula

9. Since schools' formula allocations may not always be sufficient to enable a school to meet the first £6,000 of SEN support costs, local authorities have flexibility to provide additional resources. However the research identified inconsistent practice.
10. To ensure greater consistency in practice the DfE should consider providing clearer direction to LA's and options criteria that may be used.

Core funding for SEN in early years settings

11. Some providers find funding for children with SEN greater than the standard 'free' childcare place funding allocated. There have also been, in some cases, an increase in demands for statutory assessments and concern is expressed that should this increase, early years and SEN funding would be under greater pressure, making flexible use of SEN funding more difficult.
12. A range of ways in which support is provided to early years settings includes access to top-up funding and peripatetic services. However, this is inconsistent and in some cases unclear. The proposals are that LA's should work with providers to establish clear expectations about support that settings are expected to provide and the circumstances in which additional advice, training or resources will be provided. The DfE should also set out practical reminders of the ways in which SEN provision can be funded in pre-school settings.

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Core funding for special schools and resource provisions

13. There is increasing pressure on special school places, and lack of clarity for planning and commissioning specialist places. The proposal is for an explicit role for local planning and commissioning in which LA's in collaboration with schools would play a central role for resource provisions and early years settings.
14. For non-maintained special schools, the EFA should play a co-ordinating role informed by decisions of the LAs in line with statutory duties. This would provide scope to plan provision strategically to meet in-year challenges and longer-term needs.
15. Where new SEN provision needs to be developed it is also suggested that there should be a process for accessing capital funding.

Core funding for SEN post 16

16. Several issues were reported, confusion about funding for low-level SEN and the scope for funding five-day packages of support; and inconsistent approaches to the criteria for determining top up funding and associated administration creating additional burdens; allocation of funding fostering a sense that SEN is an 'add-on' to a post-16 core business.
17. To address these issues it is proposed that the element 2 should be included in the formula allocations to preserve the principle of equivalence, aligning with the proposed reform of SEN funding in mainstream schools.

Top Up Funding

18. Top-up funding facilitates more flexible and outcomes-focused approaches to SEN places but there are inconsistent approaches to frameworks to assess needs, and allocating funding to meet those needs raising issues of equity, inconsistent practice, administration creating additional bureaucratic burdens. There is limited support for a national banding framework, however, the DfE should develop and publish a set of principles or minimum standards for the effective operation of top-up funding and LAs should publish their arrangements.
19. The processes for accessing advice, support and top up funding should be established by LAs.

Funding for Very High Needs

20. The key issues relate to the challenge to apportion costs between health and social care for children with the most complex needs. Too often the default position is that costs are borne by the high needs block. It is proposed that the DfE should publish joint guidance with the Department of health and NHS England.
21. The commissioning options for LA are often very narrow to meet the need of a small number of individuals with profound and complex needs. Some areas have begun to address this with a joint commissioning of places and piloting sub-regional or regional approaches could provide a basis for testing more systematic regional partnerships.