
HIGH NEEDS REVIEW UPDATE

Purpose of Report

1. To provide School Forum with an update on the high needs review

Update

High Needs in Mainstream Schools

2. As previously reported to Forum, work has been ongoing in consultation with schools and other relevant stakeholders to change the current system of funding high needs in mainstream schools. This has focused on the aim of moving to a system that is based on funding following the child as is required under national guidance.
3. A series of information sessions have been held for head teachers throughout 2018 to consider financial models and to obtain feedback from schools.
4. Following on from the information session in March, further work will be undertaken with schools regarding the ranges system during the 2018/19 academic year.
5. As a result of feedback received, the Local Authority is recommending a change to the current funding system for the 2018/19 academic year to move from a lump sum to a “money follows the child” model. This will require changes to the current funding arrangements starting from September 2018. The following paragraphs 7 to 24 outline this proposal.

Current System

6. The current system in operation to provide additional support to children in mainstream schools is as follows.
 - a. At primary phase, each school receives a small lump sum and also receives a per child top up payment for children assessed as needing additional support. These top ups are paid at the following bandings,
 - i. Band 7 £2,251
 - ii. Band 8 £4,502
 - iii. Band 9 £6,753
 - iv. Band 10 £9,004
 - b. At secondary phase, each school receives a large lump sum, but no top ups.
 - c. Lump sums were calculated in 2013 based on the notional SEN budget levels in schools at that time and have remained at the same level ever since. The lump sums therefore do not fit with the current numbers of children needing support in mainstream schools.

- d. Appendix 1 (attached) shows the lump sum each school currently receives.

Proposed System

7. The current funding system is flawed as the funding does not follow the prescribed DfE system where funding follows the child. In addition the lump sums were calculated based on notional SEN figures from over five years ago so their values are out of date.
8. It is proposed that in the 2018/19 academic year the existing system of banding will continue with no changes to value of funding attached to each band. The system will however be modified to ensure that both primary schools and secondary schools receive funding on the same basis. In addition lump sums will be removed so that all funding follows the child.
9. In order to ensure that primary and secondary schools are funded under the same system the first requirement is to introduce top ups to secondary schools for children with EHC plans. Tops ups will therefore be paid to secondary schools on a per child basis from the start of the new academic year (September 18). As secondary schools will receive top up funding the lump sum they receive will need to decrease to mirror the lump sums that primary schools receive or secondary schools will be double funded.
10. A calculation has been undertaken to work out how much lump sum each secondary school would have received if secondary schools were on the same system as primary schools when the lump sum calculation was undertaken in 2013. This uses the notional SEN budgets from that period of time. The results of this calculation are shown at appendix 2.
11. Although all secondary schools will lose funding by reducing their lump sum this will be offset by the fact that they will receive top up payments in addition to the lump sum payment. The value of top up paid to secondary schools will be at the same rate as the top up rates for primary schools namely,
 - i. Band 7 £2,251
 - ii. Band 8 £4,502
 - iii. Band 9 £6,753
 - iv. Band 10 £9,004
12. The total amount of funding that each secondary school receives will be dependent on the number of child needing a top up in that school and the banding into which that child falls. It is therefore not possible to say exactly how much top up funding each school will actually receive in 2018/19.
13. For illustration purposes appendix 3 shows an estimated amount of top up each secondary school will receive. This has been calculated using the same data that was provided with regard to the ranges exercise, using the number of children on plans at March. In addition as children are currently not banded at secondary school phase, the figures assume that all children that will attract a top up, at band 10. **It is stressed that the figures in appendix 3 are a guide only, as the actual payments will be made based on the actual children in school during the 2018/19 year.**

14. Appendix 4 shows the overall net financial position for secondary schools in 2018/19 of the changes proposed above (i.e. a combination of appendix 2 and appendix 3).
15. At this stage no changes would occur to primary funding, as primary schools currently receive reduced lump sums and top ups at the above rates.
16. As noted above the prescribed national system is for funding to follow the child, therefore lump sums will need to cease. The Local Authority recognises that potentially the removal of the lumps sum will hit schools budgets and therefore there needs to be a transition period for lump sums. It is therefore proposed that the lump sums will be phased out over the 2018/19 academic year to give schools certainty over funding.
17. It is proposed that in the autumn 2018 term schools will receive 100% of their lump sum for that term, 50% in the spring 2019 term, and 25% in the summer 2019 term. The table at appendix 5 shows the effect of this on each school. (Please note that for secondary schools the lumps sums used in this calculation are those calculated for secondary schools to be aligned with primary schools i.e. lower lump sums, as per the above paragraphs).
18. The total net effect of the above changes on schools in 2018/19 in comparison to the current lump sum system (based on March 2018 plans) would be as per the table in appendix 6. Again please note that the top up values included within this table are for illustration only, actual top ups will be paid based on the actual children.
19. The table at appendix 6 shows the potential effect on a school by school basis of the proposed 2018/19 academic year funding arrangement. This arrangement ensures that all schools in Darlington are funded on the same basis in the 2018/19 academic year. It also ensures that the payment system meets the prescribed DfE requirement for funding to follow the child.
20. The Local Authority appreciates that even with no change in top up band values, the phasing out of lump sums will still have a significant reduction in the funding for a small number of schools during the 2018/19 academic year in comparison to the existing lump sum system.
21. For schools that are effected by the changes to the lump sum, it is proposed that in 2018/19 the Local Authority will build in extra protection, in that no school will lose more than 25% of the funding they would have received under the current lump sum system.
22. This additional protection will be calculated by comparing the reduction in lump sum with the amount of funding that is received through the reduced lump sum and top up funding in 2018/19. Where there is a reduction of more than 25% an additional payment will be made to ensure no school loses more than 25% of funding in 2018/19 in comparison to the current lump sum system.
23. Where payments are due these will be paid at the end of the year once all top up payments have been paid in order that a calculation can be undertaken to compare what was due under the lump sum system to what has been received in 2018/19. Appendix 7 illustrates this proposal on all schools.
24. The level of budget required to fund this guarantee will be unknown until the year end, however based on the data used in the workings, approximately £68,000 would be

required. The overall effect of the proposed changes would therefore be more or less neutral in 2018/19, before taking account of any growth in need.

Behaviour and Attendance

25. A review has been undertaken of the Behaviour and Attendance partnership and work is ongoing to establish new protocols on behaviour and attendance. Currently funding for support for behaviour and attendance is paid by a lump sum to secondary schools and via a contingency fund managed by the LAPPS panel at primary level.
26. The Local Authority will be working with schools in the autumn term 2018 to establish a new model and to seek views on the use of these funds.

Recommendations

27. That Forum notes the proposed changes to the high needs arrangements in the 2018/19 academic year.

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