

Schools Forum 12 January 2021

Proposed High Needs Local Funding Formula 2021/2022

1. Purpose of Report

- 1.1 To provide Schools Forum with a proposed updated Walsall High Needs Funding formula for schools supporting pupils with identified special educational needs and disabilities (SEND) from that previously presented to the School Forum on 23 September 2020, taking account of the consultation process, further analysis and moderation undertaken and details of any recommended changes to the model.

2. Recommendation (s)

- 2.1 That School Forum note the work undertaken by officers and the working group and recommends the revised local high needs funding formula (Walsall Rights 4 SEND guidance document) that is proposed for 2021/22, which is set out in detail in Appendices A to B of this report.
- 2.2 That the Schools Forum recommend the revised local high needs funding formula to Cabinet, to seek approval and agreement to implement the proposed model from 1 April 2021.
- 2.2 That School Forum notes and agrees the proposed formula subject to Cabinet approval, and proposed bandings to be used to support all (existing and new) EHCPs going forward.
- 2.3 Schools Forum note the previously agreed MFG disapplication request to enable increased flexibility around the implementation of a revised High Needs Funding Formula for April 2021.
- 2.4 That implementation be recommended for existing special school pupils and new EHCPs from 1 April 2021 and implementation for mainstream pupils through scheduled Annual Reviews for existing EHCPs from 1 April 2021 onwards.

3. Background

- 3.1 The high needs funding formula is the local process that is utilised to allocate the High Needs Block of the Dedicated schools Grant (DSG) funding that the Council receives, to the providers of support to children with additional needs in the Borough of Walsall.
- 3.2 A working group of the Schools Forum, comprising of representatives from all school phases and sectors has continued to meet and work on a proposed revised high needs funding methodology and model, which is child centred, needs based, transparent , equitable and affordable.

- 3.3 The methodology builds on the work undertaken in 2019 and the additional work in 2020 encompassing revised moderated SEN data from schools and academies to propose an updated model to be implemented from 1 April 2021. The model has been developed through extensive work with schools and partner services, led by the Schools Forum High Needs Funding working group.
- 3.4 The School Forum agreed a model for consultation at its meeting on 23 September 2020 and Cabinet approved the model and consultation process at its meeting on 21 October 2020.
- 3.5 This report considers the results of the consultation undertaken and proposes a revised model taking into account recommended changes with a view to seeking final Cabinet approval for the model and its implementation.
- 3.6 The proposed basis of the high needs local funding formula for 2021/22 is set out in this report.
- 3.7 Once agreed the new local high needs funding formula rates will be used to determine indicative budget shares for all special schools for 2021/22 and will determine the high needs top-up funding attracted by mainstream schools. As funding for PRUs and ARPs was not included in the review work undertaken to date, funding in these areas will continue to be allocated using the existing model for 2021/22, with a further review of the funding formula for these provisions then due to take place during 2021/22.

4. Feedback From The Consultation Process

- 4.1 Consultation has been actively undertaken through the engagement of schools, SENCOs and parents and has involved communications to parents from schools, an online survey, email and telephone responses and the Walsall Local Offer website. Video conferencing and drop in sessions were also held for parents, carers, headteachers and school staff, governors and internal and external support services to enable participants to ask questions and receive responses to any queries they have about the proposal.
- 4.2 The consultation process commenced on 23 November 2020 and closed on the 20 December 2020 to inform the high needs funding formula model and proposal and enable outcomes to be summarised and shared at this School Forum meeting.
- 4.3 Feedback from the consultation process is summarised below:
Information regarding respondents:
 - 158 respondents from the detailed questionnaire, of which 85 were parents, 81 parents of children with Send and 17 parents of pupils attending special schools
 - 55.1% of respondents were parents; 33.6% were school staff or governors
 - Of the responses received: 3.8% were nursery related, 73.6% primary and 22.6% secondary
 - 32.1% of school responses were from academies, free schools or independent schools

Agreement to principles underpinning the proposed model:

- 98% agreed with the need for it to be 'Child centred' - all children and young people will receive the 'right help, in the right place at the right time, for the right amount of time
- 96% agreed it should be 'transparent' - there needs to be a transparent approach to funding across all sectors (mainstream/special, primary/secondary)
- 98% agreed with the need for 'Equity' – there needs to be a fair approach to funding that is based on a needs based approach rather than a setting based approach
- 97% agreed with the focus on 'Early intervention' – there needs to be a graduated approach to support, and therefore funding for provision
- 93% agreed that approaches should support 'Inclusion' – the majority of children and young people with SEND, including those with an EHCP, should be able to access the right support within their local mainstream school and local community.

4.4 Views regarding whether the Walsall Right 4 SEND document would achieve its identified aims:

- In general there was a high level of agreement that the proposed model and document would support the identified aims
- Ensuring effective identification of childrens' special educational needs – 81% agreed, 9% did not know and 11% disagreed
- Ensuring children with SEND get the right help in school: -72% agreed, 18% did not know and 11% disagreed
- Ensuring children with SEND are better prepared for adulthood: - 66% agreed, 23% did not know and 11% disagreed.

4.5 Response rates from services were relatively low as they were directly engaged and involved in the development of the banding document and the Walsall Right 4 SEND document over the past 18 months

4.6 A number of suggestions were made which have been taken on board, as outlined in section 5 below.

4.7 A summary analysis of responses received is included in Appendix C.

5 Proposed Amendments To The High Needs Funding Formula And Banding Model

5.1 Concerns were raised that the proposal was a cost saving exercise

Response: This is clearly not the case as the envelope of resources has factored in overall High Needs Funding block increases, it does however prioritise resources to the highest levels of need.

5.2 A number of individual child specific comments and funding issues were raised alongside some concerns re the moderation of bandings, consistency of application and the need to hold schools and educational establishments to account to ensure a child centred approach.

Response: Whilst individual funding issues will not be addressed as part of the overall review, as part of the implementation process it is proposed to implement the new bandings for mainstream school pupils via scheduled annual reviews. This will ensure parental involvement in reviews and support discussions and provide an additional layer of moderation and avoid the need to open up EHC plans unnecessarily. Special school provision and designations will be encompassed in the specialist review currently being undertaken and hence new bandings can be implemented in full from 1 April 2021.

- 5.3 The need to review cognition and learning bands was expressed

Response: Details expanded in the banding document with specificity added

- 5.4 Concerns were raised that there was a strong focus on primary need and given complexities of need, this focus should not mean that other needs are not met.

Response: Schools need to assess children holistically, further detail is to be added to the document, with a matrix for each child. This will not impact on the funding but should help with discussions with parents to show schools have fully considered multiple needs whilst identifying primary needs. The need to ensure that the model caters for our children with the most complex needs has also been recognised by adding an additional higher funded band 8

- 5.5 Concerns were expressed re the need to review the medical need strand.

Response: this has been recognised and has been removed from the document and replaced with a signpost to medical provision to secure adequate provision.

- 5.6 View expressed that there is a need to ensure that schools recognise and meet needs of children who are neuro divergent.

Response: Recognised and an additional section will be included at the start of the document. This will be coproduced with children and young people and parents/carers with lived experience and relevant services.

- 5.7 Views expressed that there is a need to ensure that children with autism have their needs identified and met.

Response: Separate guidance document to be coproduced with children and young people and parents/carers with lived experience and schools and services. This will be progressed through the Autism Working Group to ensure it is fully integrated with other developments.

- 5.8 Concerns were expressed re the choice and level of specialist support and provision available in mainstream and specialist settings. References to specialist teaching resources for hearing impairment and CAMHS waiting times were also referred to.

Response:- Recognition of need for a full child centred approach, not just education. Specialist provision review will incorporate specialist provision and specialist support and teaching services. CAMHS and health related service issues to be raised and addressed through new Partnership board working arrangements. There will be a continued focus on a needs led approach to provision.

6. Financial modelling:

- 6.1 The draft resourcing needs for each area of need and band were provided to finance officers, based on the Walsall Rights 4 SEND guidance document (Appendix B). This was informed by the high needs funding working group supported by specialist services, knowledge of provision currently provided in Walsall schools and relevant guidance to provide quantification of provision for each of the bands in each area of need for the purpose of the financial modelling work. This resourcing need then provides an assessment of the costs of meeting the needs of children in each band, which can then be compared to funding that the authority is predicted to receive in its DSG High Needs block. Further work will continue to be undertaken to identify the potential impact on individual schools/providers to plan for these changes
- 6.2 The outcome of the modelling indicates that for 2021/22 the proposed funding is estimated to be affordable within the totality of funding that is available within the High Needs Block of DSG that is paid to the authority (based on a predicted total top-up cost for the year for the revised model of circa £16.25 million). This includes an assumption of a 7% increase in demand in that year, which has been built in to accommodate anticipated pressures.
- 6.3 The breakdown of the financial model is contained in Appendix A for both special and mainstream schools. It takes account of existing predicted funding levels and existing pupil numbers in the moderation exercise and includes an estimate of funding required to support 7% potential growth in the year
- 6.4 Implementation is recommended for new EHCPs from 1 April 2021 and further moderated through scheduled Annual Reviews for existing mainstream school EHCPs from 1 April 2021 onwards. The Annual Review process will introduce a further robust level of moderation and challenge and supplement Annual Review and EHCP Hub training was delivered to SENCOs from the autumn term 2020.
- 6.5 The School Forum Working Group considered a range of funding models from other Local Authorities. The current model is proposed as it allowed for categorisation of primary need and would allow for the bandings to be used across all phases (primary and secondary) and settings (mainstream and special school).
- 6.6 Prior to 1 April 2021 the Transitional Top Up Support (TTS) scheme, approved by Schools Forum and Cabinet in February and March 2020, will continue. However this scheme will then cease from 31 March 2021 with the implementation of the new formula on 1 April 2021.

7 Implementation

- 7.1 Consultation feedback was supportive of implementation as detailed above. Parent consultation sessions conveyed a strong desire for parents to be involved in discussions around childrens' needs under the new banding

arrangements in mainstream settings. This would also provide an additional layer of moderation at annual review stage re levels of need and support required in mainstream settings. Hence, it is proposed to implement the new banding levels at scheduled annual review stage for children with an existing EHCP in mainstream settings. All new EHCPs issued will fall under the new model from 1 April 2021, as they will be subject to the revised banding and assessment processes.

- 7.2 Special school bandings, provision and budgets were more clearly designated, with less risk of banding anomalies and will be subject to the specialist services review currently being undertaken, matching designation and provision to higher identified levels of need. Hence the implementation of the revised banding levels can be more readily implemented from 1 April 2021.
- 7.3 Subject to the School Forum approval of the revised High Needs Funding model, a recommendation is sought for Cabinet approval of the revised High Needs Funding model and its implementation.
- 7.4 Going forward the future approach to High Needs funding will be subject to an annual review by an identified sub group of Schools Forum. The allocation of funding will be reviewed alongside an analysis of the changing need reported through the audit process and pupil place planning.

8. Financial implications

- 8.1 The intention of revising Walsall's High Needs Funding Formula is to ensure that there is an equitable system in place to accurately identify pupil's additional needs and provide appropriate funding in support of this to achieve the best outcome for them. However this needs to be balanced against the fact that the High Needs funding the authority receives is a cash limited grant and any spend against this to support children's needs must be contained within the totality of the High Needs funding that is available to the council.
- 8.2 The outcome of the financial modelling that has been undertaken in relation to the proposed revised funding formula indicates that for 2021/22 the proposed funding is estimated to be affordable within the totality of funding that is available within the High Needs Block of DSG that is paid to the authority (based on a predicted total top-up cost for the year for the revised model of circa £16.25 million). This includes an assumption of a 7% increase in demand in that year, which has been built in to accommodate anticipated growth.
- 8.3 The proposal may be subject to the minimum funding guarantee (MFG) for special schools, which is set by a condition of grant that applies to local authorities' DSG and protects special schools from seeing a reduction in funding from year to year, assuming that the number and type of places remains the same between two financial years. The final MFG calculation cannot be completed until later in the financial year when it is known no further pupil changes are likely prior to April 2021.

- 8.4 As this is a major reorganisation of high needs funding for special schools, moving from a 3 banded framework based on designation of school to a funding framework based on 5 areas of pupil need across 10 bands, a like for like comparison required by the MFG is not possible. Additionally if any MFG is required the impact of applying this may result in anomalous outcomes and potentially thwart one of the main principles of the funding review ie. that a pupil with assessed needs will attract the same funding for those needs regardless of the special school they attend.
- 8.5 As such with Forum's support the authority submitted a disapplication request to disapply the MFG for 2021/2022 for special schools to enable increased flexibility in the implementation subject to the consultation process. It is not yet known whether (if the application is approved by the secretary of state) the disapplication will need to be utilised.
- 8.6 With any change in the allocation of the overall High Needs funding amongst individual schools / providers, as a result of the implementation of a revised funding formula, there are likely to be some schools that see an increase in the High Needs funding that is allocated to them, and others that may see a reduction. The authority will seek to work with those schools that do see a reduction in funding to help them plan for the impact of this.

9. Legal implications

- 9.1 The DfE has prescribed the way in which schools should be financed for the 2021/22 financial year. These guidelines are set out in the Schools Revenue Funding 2021 to 2022 operational guide. The purpose of these arrangements is to help secure greater consistency in the way in which high needs funding is distributed to schools. The Council is bound to adhere to the rules issued by DfE.
- 9.2 It is essential that we achieve a fair, effective and efficient formula that meets the needs of those pupils and the schools where they are placed. Failure to do this could result in an increase in SEND tribunals and greater legal challenge from parents and carers as well as support groups within the areas of SEND.

10. School Improvement

- 10.1 As part of making any decisions regarding possible changes to the high needs funding formula consideration should be made of the potential impact on the desired outcomes of the Walsall school improvement programme. The outcomes for pupils with SEND are in need of improvement in order to close the gap between themselves and other pupils in terms of both progress and attainment. This is to enable them to have the best chances as they move into adulthood.

11. Members eligible to vote

- 11.1 The School Forum roles and responsibilities document clarifies that Schools Forum should provide views on and inform any changes to high needs funding arrangements. The report therefore seeks School Forum's views and requests

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their recommendation of the revised local high needs funding formula to Cabinet to seek approval to implement the proposed model. All elected members with voting rights are eligible to vote on this matter.

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