

Update on Early Years Funding Rates for 2018/19 and Progress of Special Schools Working Group

5th December 2017

1. Purpose of report

- 1.1 Following the publication of Early Years 3-4 year old rates payable to local authorities for 2018/19 17th November 2017 this report seeks to provide an update to Schools Forum members regarding the impact on hourly rates payable for 2018/19.
- 1.2 Additionally, following the agreement of Schools Forum at their meeting on 7th March 2017 to set up a working group to review the Walsall Special Schools funding formula, this report also provides an update on the work of this group and an outline timetable for the move toward a revised formula.

2. Recommendations

- 2.1 To note the rates that will be payable to the local authority for provision of 3-4 year old support for 2018/19 and impact on hourly rates payable.
- 2.2 To note the update on the work of this special schools group and the outline timetable for the move toward a revised formula.

3. 3-4 Year Old Funding

- 3.1 At their meeting of 10th January 2017 Schools Forum were provided with a detailed report setting out the governments intention to implement an Early Years National Funding Formula from April 2017 and the work that had been carried out with a working group of Schools Forum members to identify the impact of this and the proposed hourly rates payable for 2017/18 for 3-4 year old provision.
- 3.2 On 17th November 2017 the DfE published the 3-4 year old rates that will be payable to local authorities for 2018/19 to fund provision in their area.
- 3.3 For Walsall the rate that will be payable to the local authority for 3-4 year old provision for 2018/19 will be the same as that paid in 2017/18.
- 3.4 As such this provides no increase in funding, and as the Early Years block of funding is fully allocated for 2017/18, as set out in a further report on today's agenda for Schools Forum, there is therefore no funding available to seek to increase the hourly rate then payable to providers for 2018/19.
- 3.5 The hourly rate payable for all 3-4 year old providers will therefore remain at £4 per hour for 2018/19 and providers will receive confirmation of this outcome.

4. Review of Special Schools Funding Formula

- 4.1 Following agreement of Schools Forum, at their meeting on 7th March 2017, to set up a working group of all Walsall Special school heads to review the special schools funding formula, a series of meetings has now been held.
- 4.2 These meetings have been supported by an independent consultant, and have reviewed the way in which funding is currently allocated to special schools and discussed options for a revised method of identifying need and allocating funding.
- 4.3 The feedback from the group is supportive of taking the required amount of time to finalise the revised processes and procedures that will be required under a new funding system and in allocating children to the appropriate bandings within that system.
- 4.4 As such, at the last meeting on 22nd November 2017, the following outline time table was agreed:

Area	Outline Date
Independent Consultant and Special Heads to review revised banding matrix and narrative to finalise descriptors to be used for audit / moderation of children	Nov 17 – Mid-Jan 18
Review of potential interim adjustments to 2018/19 funding formula	24 Jan 18 – 14 Feb 18
Report to Schools Forum setting out recommended interim adjustments to 2018/19 funding formula	Mar 18
Report to Cabinet for approval of recommended interim adjustments to 2018/19 funding formula	Mar 18
Audit of current children by each special school and allocation to matrix band	Apr 18 – Jun 18
Audit of new school joiners by each special school and allocation to matrix band	Sep 18 – Oct 18
Moderation of audit outcomes for all children	Nov 18
Funding modelling of outcomes	Dec 18
Consultation of outcomes with special schools / Schools Forum / Cabinet	Jan 19 – mar 19
Implementation of revised formula	Apr 19

- 4.5 As the above timeline shows, it is not expected that a fully revised formula will be in place until April 2019. However in the interim a number of potential changes to the current high needs funding formula, which are aimed at simplifying the administrative arrangements, will be considered and reported to Schools Forum and Cabinet. These are focused on the following areas:
- Clarity of premises costs included within the current resource values for each school
 - Implementation of a formal funding adjustment protocol for special schools who are over / under their commissioned place number

- Development of a 'Individual package' band to offer the ability to develop an individual package of support for very small number of children who may otherwise need to be supported outside of Walsall
- Potential for a freeze to current resource values whilst new formula is fully developed and implemented

4.6 For clarity the changes, both those proposed for 2018/19 as potential interim amendments, and the fully revised formulae to be implemented from April 2019 are proposed to be cost neutral i.e. the authority is neither seeking to reduce or increase the costs paid from the high needs block of DSG.

5. Financial implications

5.1 With regard to 3-4 year old provision all funding received by the authority is forecast to be fully allocated for 2017/18. With rates being retained at the current level for 2018/19 the funding will continue to be fully allocated, and providers will not see a change in their overall level of funding (unless the number of hours of provision increases or decreases).

5.2 As set out in section 4, with regard to the review of the special schools funding formula, any amendments are proposed to be cost neutral i.e. the authority is neither seeking to reduce or increase the costs paid from the high needs block of DSG.

6. Legal Implications

6.1 The review of any funding formulas should ensure that all requirements, as determined by The Schools and Early Years Funding regulations, are adhered to.

7. School Improvement

7.1 As part noting the update and feeding back any views Schools Forum should consider the potential impact on the desired outcomes of the Walsall school improvement programme.

8. Members eligible to vote

8.1 This report provides an update and as such no vote is required.