

# **Schools Forum 9 March 2022**

## **Proposed High Needs Local Funding Formula 2022/23**

### **1. Purpose of Report**

- 1.1 To provide Schools Forum with a proposed Walsall High Needs Funding Formula for schools supporting pupils with identified special educational needs and disabilities (SEND) for which there are no proposals to change any part of the formula that was implemented in 2021/22, with the exception of increasing top-up rates for special schools and pupil referral units who will not receive the new Supplementary Grant that mainstream and nursery schools will receive in 2022/23 to reflect the increase in national insurance costs in 2022/23 due to the Heath & Social Care Levy.
- 1.2 A revised High Needs Funding Formula was approved and implemented in 2021/22 which saw the introduction of a new bandings model to support all pupils with EHCP's. This was in line with the Walsall Rights 4 SEND guidance document which was written following the formation of the High Needs Working Group working alongside SEND officers. The new bandings model is based on the different areas of primary need which correlate to the SEND Code of Practice. The top-up rates are set out in detail in Appendix A of this report.
- 1.3 The High Needs Working Group has recently reconvened to complete further moderation around the new bandings model and to look at other areas of SEND with a view to potentially recommending future changes, for example, Early Years High Needs Funding and Post 16 High Needs Funding. The group will report back to Schools Forum in the summer term 2022.

### **2. Recommendation**

- 2.1 That School Forum note the work undertaken by officers and the working group to successfully implement the new bandings for all EHCP's and their commitment to further moderate the documents, and recommends the Local High Needs Funding Formula that is proposed for 2022/23.
- 2.2 That the Schools Forum recommend the proposed local high needs funding formula to Cabinet, to seek approval and agreement to implement the proposed model from 1 April 2022.

### **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 recently reconvened to further moderate the banding model and other areas of SEND, to ensure funding is child centred, needs based, transparent, equitable and affordable across all areas of high needs.

- 3.3 The methodology behind the model was developed through extensive work with schools and partner services, led by the Schools Forum High Needs Funding working group.
- 3.4 Funding for PRUs and ARPs has not yet been included in the review work undertaken to date, funding in these areas will continue to be allocated using the existing model for 2022/23, with a further review of the funding formula for these provisions then due to take place during 2022/23.

#### **4. Financial modelling and affordability**

- 4.1 The High Needs Block funding allocation has seen significant increases since 2020/21, however due to year on year increases in the number of EHCPs and the support given to pupils with more complex educational needs and disabilities the block remains under potential pressure.
- 4.2 The completion of regular DSG monitoring is carried out to ensure potential risks are quickly identified and mitigating actions put in place. This detailed monitoring has prevented unfunded DSG deficits to date.
- 4.3 With further EHCP growth forecast for 2022/23, financial modelling indicates that circa 13% growth is affordable based on the published High Needs Block allocation for 2022/23. This is based on average placement costs so this percentage may fluctuate depending on the individual needs of the new EHCPs.
- 4.4 Top-up rates for special schools and pupil referral units have been increased to reflect the additional national insurance costs in 2022/23 due to the Health & Social Care Levy. Mainstream schools and nurseries will receive a Supplementary Grant to fund these additional costs in 2022/23. Special schools and pupil referral units will be funded through their top up rates. The increase averages 1% on each band and is affordable within the current model.
- 4.5 The High Needs Block allocation also includes funding for historic cost pressures for Teachers' pay and pension in high needs settings. Special schools are allocated funding via their top-up rates as the costs are included within the formula, however, guidance requires that for Alternative Provision Free Schools a separate payment based on their published place numbers - rather than being based on actual numbers supported through top up as with special schools. The proposed rates that are applicable for Alternative Provision Free Schools are set out in Appendix A of this report.

#### **5. Financial implications**

- 5.1 The proposed funding formula for 2022/23 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.
- 5.2 The implementation of the current banding model has resulted in changes to funding allocations to some schools. This is one of the areas of action the working group are looking at. The authority will continue to work with those schools that do see a reduction in funding to help them plan for the impact of this.

## **6. Legal implications**

- 6.1 The DfE has prescribed the way in which schools should be financed for the 2022/23 financial year. These guidelines are set out in the Schools Revenue Funding 2022 to 2023 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.

## **7. School Improvement**

- 7.1 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.

## **8. Members eligible to vote**

- 8.1 The School Forum roles and responsibilities document clarifies that Schools Forum should provide views on and inform any changes to high needs funding arrangements. This report therefore seeks Schools Forum's views and requests their recommendation of the proposed high needs local funding formula for 2022/23 for approval.

**Proposed High Needs Top-up Rates 2022-23**

| <b>SEND Band</b>                              | <b>Special Schools<br/>High Needs Top-up Rates<br/>2022/23<br/>£</b> | <b>Mainstream Schools<br/>High Needs Top-up Rates<br/>2022/23<br/>£</b> |
|---|--|---|
| SEMH Band 1,2 & 3 – funded by school budget   | n/a  | n/a   |
| SEMH Band 4                                   | n/a  | 4,181   |
| SEMH Band 5                                   | n/a  | 6,847   |
| SEMH Band 6                                   | 16,485   | 10,392  |
| SEMH Band 7                                   | 21,486   | 17,075  |
| C&L Band 1,2 & 3 – funded by school budget    | n/a  | n/a   |
| C&L Band 4                                    | n/a  | 3,095   |
| C&L Band 5                                    | n/a  | 4,611   |
| C&L Band 6                                    | 5,985  | 11,800  |
| C&L Band 7                                    | 14,368   | 15,312  |
| C&L Band 8                                    | 25,048   | 20,388  |
| SLCN Band 1,2 & 3 – funded by school budget   | n/a  | n/a   |
| SLCN Band 4                                   | n/a  | 3,326   |
| SLCN Band 5                                   | n/a  | 6,891   |
| HI Band 1,2 & 3 – funded by school budget     | n/a  | n/a   |
| HI Band 4                                     | n/a  | 4,611   |
| HI Band 5                                     | n/a  | 6,847   |
| HI Band 6                                     | 10,032   | 9,923   |
| HI Band 7                                     | 14,368   | 14,471  |
| VI Band 1,2 & 3 – funded by school budget     | n/a  | n/a   |
| VI Band 4                                     | n/a  | 5,375   |
| VI Band 5                                     | n/a  | 8,407   |
| VI Band 6                                     | n/a  | 15,006  |
| VI Band 7                                     | n/a  | 17,432  |
| MSI Band 1,2 & 3 – funded by school budget    | n/a  | n/a   |
| MSI Band 4                                    | n/a  | 6,216   |
| MSI Band 5                                    | n/a  | 10,764  |
| MSI Band 6                                    | 20,913   | 16,643  |
| MSI Band 7                                    | 35,942   | 18,159  |
| Physical Band 1,2&3 – funded by school budget | n/a  | n/a   |
| Physical Band 4                               | n/a  | 3,791   |
| Physical Band 5                               | n/a  | 6,745   |
| Physical Band 6                               | 19,814   | 13,718  |
| Physical Band 7                               | 23,377   | 18,432  |

**Teachers' Pay & Pension historic costs – rates for Alternative Provision Free Schools**

| <b>Funding</b>    | <b>Period</b>      | <b>Rate per place</b> |
|-------------------|--------------------|-----------------------|
| Teachers' Pay     | April to August    | £72.91                |
|                   | September to March | £102.08               |
| Teachers' Pension | April to August    | £202.06               |
|                   | September to March | £282.89               |

Payments will be based on the actual published place number for the relevant period, less any places already being paid by the authority via top-up.