



Walsall Council

Walsall Children's Services

Report to: Schools Forum

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Subject: High Needs Top-Up Rates 2013-14

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Purpose of the report: This report details the proposed Top-up rates for 2013-14 to be used to fund the assessed needs of high pupils in maintained schools and academies. In addition to propose the method by which funding will be calculated and paid in "Real time" as required under the new funding reforms.

Recommendation: To endorse the proposed top up rates for mainstream schools and academies detailed in Appendix 1 col. (4).

To endorse the proposed top up rates for special schools detailed in Appendix 2 col. (8).

Approve the basis of real time funding transfer.

The Interaction between the budgets of mainstream schools, academies and special schools and the cost of high needs

1. The elements of the high needs model

The March 2012 School funding reform announcement set out the high needs funding model which will be applicable to all establishments.

Under the place-plus approach high needs funding will comprise three elements, which can be applied across all provision for high needs pupils and students.

The table below illustrates the three elements:

	Mainstream Schools and Academies	Special School/ Unit and Resourced Provision in Mainstream School or Academies
Element 1	Core funding (AWPU).	The place element - £10,000
Element 2	Additional funding through a delegated (notional SEN) budget – up to £6,000 of additional support per pupil	
Element 3	Further funding required above Element 2 to meet the assessed needs of the pupil	Further funding required above the place element to meet the assessed needs of the pupil

In mainstream schools and academies, all pupils are counted for the purposes of funding, whether or not they have high needs, and bring an amount of Age Weighted Pupil Unit (AWPU) funding to the school.

Element 1 funding will therefore provide high needs pupils with the same core entitlement as other pupils – an element of staffing, resources and premises etc. There is no expectation that this funding will be used any differently for high needs pupils than for other pupils.

What is expected is for schools to contribute to the additional provision for pupils with SEN, up to £6,000 per pupil, this contribution is illustrated above as Element 2. The Notional SEN Budget for each school will be identified, the details were included in a report to Forum at their last meeting, and will be used to fund Element 2 contributions. The DfE have stated that although the purpose of this notional budget will be to meet the costs of additional provision schools do not have to use this budget wholly for SEN and conversely can also fund SEN from outside this budget.

High needs costs above the £6,000 contribution for each identified pupil should be met from top up funding, Element 3, which will be paid to schools from the commissioning local authority i.e. the home authority of the pupil.

2. Walsall's Approach to Top Up Rates – mainstream schools and academies

One of the key issues throughout the process of calculating top up rates has been that central government policy is implementing many of the policy changes that this funding will need to support **after** the funding changes. Walsall Council has therefore decided to treat 2013-14 as a transitional year.

The Council has decided to use the statements already in place for individual children as the basis for top up funding in 2013-14. These statements will be reviewed and placed into a matrix. The matrix will then be allocated a resource band and used to calculate the top up funding for each high needs pupil. The resource bandings will ensure funding for all high needs pupils will be provided based on their assessed level of need.

It should be noted that where additional support is identified e.g. teaching or specialist provision additional top funding will be considered.

There may be occasions when a school may have a disproportionate number of high needs and as a result may be financially disadvantaged. Where it is felt a school's formula funding does not adequately reflect the number of high cost pupils, the DfE are allowing local authorities to define the criteria in which additional funding, headed Exceptional Circumstances, can be provided from the High Needs block.

The Notional SEN Budget paper to School Forum detailed the definition of Exceptional Circumstances and the criteria to be used to allocate funding in 2013/14.

The proposed resource bandings and top up rates for mainstream schools and academies are detailed in Appendix 1 of this report.

3. Walsall's Approach to Top Up Rates – special schools

To reduce the financial turbulence any major funding reform creates, and to provide the time for schools to first get used to the changes in processes, a similar transitional approach has been adopted for special schools for 2013-14. In addition the DfE are indicating that it is still their desire to introduce a national funding matrix from April 2014.

With the potential for mandatory changes next year it was felt the introduction of a new funding formula which might also significantly redistribute funding in 2013-14 should be avoided. Therefore the existing funding matrix and the 2012-13 place values have been used as the starting point to cost special school funding for 2013-14.

Funding factors currently allocated outside place values, e.g. premises costs which use floor areas, have been “converted” into per pupil values and as far as was possible try to distribute funding to individual schools in such a way as to closely mirror current levels.

When modelled using 2012-13 pupil numbers and placement on the matrix there are some variances to current budget shares, as might be expected with any change to funding methods, however only two special schools showed a reduction in funding which was mitigated to a degree by the triggering of the minimum funding guarantee (MFG.)

The two schools were Elmwood and Pheonix, our smallest special schools in terms of numbers where, as was found with other small mainstream schools, distributing funding via pupil numbers can create problems in regard to funding fixed costs.

Modelling the funding in such a way as to limit turbulence has resulted in a total of 15 resource bands across three types of special school. While the DfE are allowing the use of a banded system it was indicated that where possible they would wish to see the number of bands limited, to aid transparency.

By the end of March 2013 the authority will confirm the number of places it wishes to commission from each of the special schools, funding of £10,000 per commissioned place will be paid regardless of the number of actual pupils in school at any time. Place funding is the element of high needs funding which is not associated with named pupils, therefore this will be a guaranteed sum for the year and will not be subject to adjustment, unlike top up funding.

To assist special schools with their budget planning an estimate of top up funding for the year will be provided based on the pupils in school on the 1st April 2013.

Until further information on the authority’s post 16 funding becomes available and the impact of DfE imposed limits to the funding of increases in post 16 numbers, it is intended that for 2013-14 transitional resource bands will be used for both pre 16 and post 16 pupils.

The proposed resource bandings and top up rates for special schools are detailed in Appendix 2 of this report.

4. Real time funding

A further aspect of the new funding arrangements is a requirement for the payment of top up funding to be made in “real time” and at least monthly. Top up funding will be paid only while a pupil remains at a school, therefore should a pupil move to another school the top up funding moves with them.

In addition, Walsall Council will be required to pay top up funding for any Walsall pupil regardless of the local authority the pupil is being educated in. The same will apply to out of borough pupils receiving education in Walsall schools, a pupil’s home authority will pay top up funding for their pupils in a Walsall school.

As, described above, the commissioning local authority will pay top up funding directly to individual schools the current process of inter-authority recoupmnt will cease from April 2013.

Officers from authorities across the West Midlands have now met on several occasions to consider the financial implications of the funding reforms and including how schools in the region might be assisted in planning and monitoring top up income for out of borough pupils.

It has been generally agreed that West Midlands Authorities will pay the published top up rate of the authority in which the provision is being made. It is hoped to produce a West Midlands Directory which will detail top up rates, schools, contact details etc.

A number of options for the calculation of top up funding are available and agreement should be reached between the local authority and providers. Options considered include daily rates using either 1/190th; 1/195th, monthly and weekly across either 38, 39 or 52 weeks

As other funding which follows pupils uses a 52 week basis, for example exclusions, this is preferred option of the authority for the calculation real time top up calculations. In addition the use of a 52 week method also avoids complications created where training days are taken in differ terms, academy schools have a different financial year and not least that the financial year does not necessarily have either 190 or 195 days.

Top up funding will be paid up to and including the week a pupil starts or leaves e.g.

A year 4 pupil attracting top up funding of £3,560 for a full financial year leaves school after 12 weeks. The funding paid to the school for the period will be calculated as: $(£3,560 / 52 * 12)$.

The same pupil takes up a place at their new school at the beginning of the next week. The top up funding for the remaining number of weeks of the financial year will be paid to the new school i.e. $(£3,560 / 52 * 38)$.

In most cases pupils leave at the end or take up places at the beginning of a week. Where this isn't the case funding will be paid up to the end of the week in which the pupil leaves and will become payable to the replacement school from the beginning of the next full week.

The agreed real time funding mechanism will be used to allocate top up funding for all high needs pupils regardless of where the provision is taking place.

When estimating top up, schools will need to consider the year group of each high needs pupil. Top up for a year 6 pupil will, as a maximum, be paid only until the end of August. This may also be the case for a year 11 pupil not going onto post 16 education in school.

It is proposed that real time funding transfers will use 52 weeks as the basis for allocations.

5. Additionally Resourced Provision

The funding of resourced provision will continue, attracting the same value per place as used in 2012-13. The main difference in 2013-14 will be that pupils in resourced provision will be discounted from census data for main funding purposes and therefore will not attract AWPU funding. Instead additional funding for the provision will be paid from the High Needs block and outside the school's budget share. In a similar way to special schools each place commissioned by the authority will attract £10,000 per place plus top up funding, up to the current place value, for the actual number of pupils in the provision. As with other high needs provision, the real time funding mechanism will be used to fund top up.

6. Next Steps

The review of high needs has been undertaken with SEN specialists at Serco and also as part of the Education Transition programme and covered several work streams including work around the Local Offer, delegating budgets to Pupil Referral Units (PRU's) and looking at future government policy. Work is ongoing and will continue into the 2013-14 financial year.

A full review of the special schools funding matrix is planned and will take account of anticipated government announcements, together with a review of the funding models used Additionally Resourced Provision and Special Units.

7. Recommendations

School Forum is asked to:

1. Endorse the proposed top up rates for mainstream schools and academies detailed in Appendix 1 col. (4).
2. Endorse the proposed top up rates for special schools detailed in Appendix 2 col. (8).
3. Approve the basis of real time funding transfers.

High Needs - Top-up Rates 2013-14 Primary and Secondary Schools & Academies

For the financial year 2013-14 the hours recorded on statements will be the basis of top-up.

Top up will be attracted where pupils are assessed as being in Resource Bands M5 to M11. Where additional support is identified e.g. For teaching or specialised support further top-up will be considered.

Resource Bands	(1)	(2)	(3)	(4)
	Primary & Secondary Schools & Acadmies			
	Element 1 Primary	Element 1 Secondary	Element 2	Element 3
	funded via School Budget Share			funded via Commissioning LA
	Core Funding (AWPU)	Core Funding (AWPU)	Additional Support	Top up rates to be paid in real time
Band M1 (5hrs)	2,780	4,329	2,390	na
Band M2 (7.5hrs)	2,780	4,329	3,585	na
Band M3 (10hrs)	2,780	4,329	4,780	na
Band M4 (12.5hrs)	2,780	4,329	5,975	na
Band M5 (15hrs)	2,780	4,329	6,000	1,170
Band M6 (17.5hrs)	2,780	4,329	6,000	2,365
Band M7 (20hrs)	2,780	4,329	6,000	3,560
Band M8 (22.5hrs)	2,780	4,329	6,000	4,755
Band M9 (25hrs)	2,780	4,329	6,000	5,950
Band M10 (27.5hrs)	2,780	4,329	6,000	7,145
Band M11 (30hrs)	2,780	4,329	6,000	8,340

Proposed Top-up Rates for Special Schools 2013-14

The values in col. (3) mirror current 2012-13 place values with remaining current non place led formula factors re-allocated via an amount per pupil and as far as was possible in such a way as to minimise turbulence in 2013-14, when using the pupil distribution across the special school matrix.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Type	Resource Band	Staffing as funded via places in 2012-13	Other staffing expenditure	Resources, Running costs, Premises	Total per pupil - full year	Funded via Budget Share	Funded via commissioning LA Top-up Funding Element 3 - additional funding to meet assessed need	Total Funding per pupil per year
BESD	Band S1	12,129	4,785	6,760	23,675	10,000	13,675	23,675
BESD	Band S2	19,826	4,785	6,760	31,372	10,000	21,372	31,372
BESD	Band S3	22,180	4,785	6,760	33,726	10,000	23,726	33,726
BESD	Band P1	12,129	7,196	7,364	26,690	10,000	16,690	26,690
BESD	Band P2	19,826	7,196	7,364	34,387	10,000	24,387	34,387
BESD	Band P3	22,180	7,196	7,364	36,741	10,000	26,741	36,741
SLD	Band P4	16,935	3,752	4,649	25,336	10,000	15,336	25,336
SLD	Band P5	21,604	4,008	4,649	30,261	10,000	20,261	30,261
SLD/PMLD	Band P6	22,180	4,008	4,649	30,837	10,000	20,837	30,837
SLD	Band S4	16,935	2,503	4,297	23,735	10,000	13,735	23,735
SLD	Band S5	20,146	2,758	4,297	27,201	10,000	17,201	27,201
SLD/PMLD	Band S6	22,180	2,758	4,297	29,235	10,000	19,235	29,235
MLD	Band S7	9,443	2,081	3,646	15,169	10,000	5,169	15,169
MLD	Band S8	14,708	2,081	3,646	20,434	10,000	10,434	20,434
MLD	Band S9	22,180	2,081	3,646	27,906	10,000	17,906	27,906