

Proposed High Needs Local Funding Formula 2022/2

Portfolio: Councillor Towe, Education and Skills

Related portfolios: Councillor Bird, Leader of the Council

Service: Children's Services: Education

Wards: All

Key decision: Yes

Forward plan: Yes

1. Aim

- 1.1 Cabinet approved the current Local High Needs Funding Formula on 10 February 2021. The formula provides a fair, needs led and child centred approach to allocating funding for school aged children with Special Educational Needs & Disabilities (SEND) and was implemented from 1 April 2021.
- 1.2 This report provides Cabinet with an update for 2022/23. 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 Health & Social Care Levy.

2. Summary

- 2.1 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 Education Health and Care Plans (EHCP's). This was in line with the Walsall Right 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.
- 2.2 In line with the High Needs Operational Guidance for 2022/23, 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 average 1% on each band and is affordable within the current model.

3. Recommendations

- 3.1 That Cabinet approves the Local High Needs Funding Formula for 2022/23 with the increased top-up rates for special schools and pupil referral units.
- 3.2 That Cabinet approves to delegate authority to the Executive Director of Children's Services, in consultation with the Portfolio Holder for Education and Skills, to agree the utilisation of any amount of available High Needs funding to support special schools and Pupil Referral Units in financial difficulty, as allowed within the High Needs Funding guidelines.

4. Report detail – know

Background

- 4.1 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.
- 4.2 A working group of the Schools Forum, comprising of representatives from all school phases and sectors has continued to meet and work on the high needs funding methodology and model, which is child centred, needs based, transparent , equitable and affordable.
- 4.3 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 was developed through extensive work with schools and partner services, led by the Schools Forum High Needs Funding working group.
- 4.4 Once approved by Cabinet the new local high needs funding formula rates will be used to determine indicative budget shares for all special schools for 2022/23 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 2022/23.

Financial Modelling

- 4.5 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.
- 4.6 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.

- 4.7 Proposed 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.
- 4.8 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.

Council Corporate Plan Priorities

- 4.9 This work relates to the Council Plan Priorities for Children (The gaps in educational attainment between the least and most deprived communities will be narrowed for all under achieving groups). Specifically, the allocation of High Needs Funding should ensure that children identified as having SEND have the right support at the right time to ensure they access their entitlement to a full time education and can make good academic progress and achieve their potential.

Risk management

- 4.10 The financial modelling supports the proposed funding formula within projected resources with provision for up to 13% growth factor. Budget monitoring and control will need to ensure the formula's financial sustainability into the future.

Financial implications

- 4.11 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.
- 4.12 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.
- 4.13 The national High Needs funding regulations also allow the authority to utilise available High Needs funding to support special schools and Pupil Referral Units in financial difficulty. This flexibility is useful in both supporting these categories of schools to manage the current pressures that they are experiencing, whilst also managing any impact of changes in the local high

needs funding formula top up rates. As such a recommendation has also been proposed to delegate authority to the Executive Director of Children's Services, in consultation with the Portfolio Holder for Education and Skills, to agree the utilisation of any amount of available High Needs funding to support special schools and Pupil Referral Units in financial difficulty, as allowed within the High Needs Funding guidelines.

Legal implications

- 4.14 The Department for Education (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

Procurement Implications/Social Value

- 4.15 There are no procurement/social value implications arising from the proposals in this report.

Property implications

- 4.16 There are no property implications arising from the proposals in this report.

Health and wellbeing implications

- 4.17 The expectation remains that the current model for High Needs Funding will support the Marmot objectives of:
- Give every child the best start in life
 - Enable all children, young people and adults to maximise their capabilities and have control over their lives
- 4.18 This will be achieved by ensuring that the approach to funding ensure children have access to the right support at the right time to promote their development, educational outcomes and prepare them for adulthood.

Staffing implications

- 4.19 There are no staffing implications arising from the proposals in this report.

Reducing inequalities

- 4.20 The Equality Impact Assessment already completed remains current.
- 4.21 The overall aim of the model is to ensure a fair and equitable approach to the allocation of High Needs Funding. This will reduce inequalities and ensure that children with SEND have access to the provision required to meet their needs, ensure access to their entitlement to fulltime education and to address the gap in outcomes between those with SEND and those without.

Climate change

- 4.22 There are no climate change implications arising from proposals in this report.

Consultation

- 4.23 Consultation has been undertaken with both representatives of the ongoing School Forum led High Needs funding formula review sub group and also with Schools Forum themselves, with Schools Forum at their meeting on 9 March 2022 being asked to recommend the proposed local high needs funding formula to Cabinet.

5. Decide

Cabinet are asked to review and approve the proposed Local High Needs Funding Formula for 2022/23, alongside the proposed delegation to the Executive Director and Portfolio Holder in relation to support to special schools and pupil referral units in financial difficulty.

6. Respond

Once approved by Cabinet the Local High Needs Funding Formula for 2022/23 will be communicated with schools, alongside the provision of indicative high needs budget allocations for special schools and Pupil Referral Units, which will be used to inform each school in setting their budget for the year.

7. Review

The 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 SEN audit process and pupil place planning.

Background papers

Walsall Right 4 SEND guidance document
Schools Forum report 9 March 2022
High Needs Funding 2022/23 Operational Guidance

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Sally Rowe
Executive Director
16 March 2022



Councillor Towe
Portfolio holder
16 March 2022

Appendix A

Proposed High Needs Top-up Rates 2022/23

SEND Band	Special Schools High Needs Top-up Rates 2022/23 £	Mainstream Schools High Needs Top-up Rates 2022/23 £
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

Funding	Period	Rate per place
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.