

Consultation on Schools and High Needs Funding in 2018-19

Proposal to transfer 0.5% of the Schools Block to the High Needs Block

Local authorities must present a range of evidence to schools as part of the consultation and to their schools forum to back up a proposal to transfer funding from the schools block.

The evidence that is expected as stated in the operational guidance on schools revenue funding 2018-19 is addressed as follows:

- 1. Details of any previous movements between blocks, what pressures those movements covered and why those transfers have not been adequate to counter the new cost pressures*

In financial year 2015-16 the High Needs budget overspent by £822k and was forecast to overspend by up to £1.4m in 2016-17. A transfer of £1.3m from the Schools Block and £100k from the Early Years Block was agreed by the Schools Funding Forum at the meeting held on 10th December 2015 for financial year 2016-17. At year end there was an underspend of £79k which would have been an overspend of almost £1.4m without the transfer.

The transfer in 2016-17 covered an increase in provision and complexity of need that was not recognised in the High Needs funding to the local authority from the DFE. These increases in the level of need are continuing in Havering and are a significant issue for most local authorities particularly in London. The High Needs block is again forecast to overspend in 2017-18 and the cost of continuing increase in need is unlikely to be met solely from the additional resources expected from a revised funding formula.

- 2. A full breakdown of the specific budget pressures that have led to the requirement for a transfer*
 - this should include the changes in demand for special provision over the last three years, and how the local authority has met that demand by commissioning places in all sectors (mainstream and special schools, further education and sixth form colleges, independent specialist provision and alternative provision)*
 - it's particularly important that any changes in the provision for mainstream school pupils with high needs are highlighted so that those schools can understand both why a transfer of funds from the schools block might be needed, and how future transfers might be avoided*

The anticipated pressures are attached at appendix A. It is part of the LA strategy for high needs provision to encourage mainstream schools to open additionally resourced provision (ARP) particularly to meet the needs of increasing numbers of children with ASD. It is expected that pupils with a level of need appropriate for placement in a mainstream ARP would have otherwise have been placed in a special school or in out of borough provision. The release of capacity in Havering special schools should increase the availability of local provision and therefore reduce the costs of placing children in expensive out of borough provision.

The transfer would also enable an increase in the hourly rate that is applied to the top up funding paid to schools that have children with EHC Plans. This, along with a higher allocation to schools that have developed a speciality in meeting the needs of children with SEND and have a disproportionately high number of children with SEND is intended to promote and encourage an ethos of inclusion.

3. *A strategic financial plan setting out how the local authority intends to bring high needs expenditure to levels that can be sustained within anticipated future high needs funding levels*

- *the local authority should demonstrate an assessment and understanding of why the high needs costs are at a level that exceeds the expected final high needs funding allocation, and that plans are in place to change the pattern of provision where this is necessary, as well as to achieve greater efficiency in other ways*
- *the schools forum can only give approval for a one-off transfer of funding out of the 2018 to 2019 schools block*
- *the local authority should give details of whether the cost pressure is such that they would anticipate the need to seek schools forum approval for a transfer in subsequent years, and how they are planning ahead to avoid such transfers in the longer term*

The Local Authority is currently finalising its High Needs strategy which will set out how local provision will be increased to meet a growth in demand and increased complexity of need. The development of local provision will include a new special free school for pupils with ASD and SEMH, post 19 provision and further additionally resourced provision in mainstream schools supported by capital funding. This investment in local provision should lead to a reduction in the need to place children out of borough in more expensive provision. This strategy together with further increase in funding through the new high needs national funding formula should obviate the need for a further transfer from the schools block in future years.

4. *As part of the review and planning process, the extent to which collaborative working is being developed as a means of securing suitable high needs placements at a cost that can be afforded*

- *we expect effective partnership between the local authority, those institutions offering special and alternative provision (including mainstream schools), and parents; and between the local authority and neighbouring authorities*

In reviewing the high needs strategy the LA consulted with:

- Parents and carers, via the Parents Forum (run by Positive Parents) and through a questionnaire on SurveyMonkey and the Personal Outcome Evaluation Tool (POET – for those parents who have been through the EHCP process).
- Children and young people, via Advocacy for All consultations on:
 - short breaks
 - personal outcomes evaluation tool (POET – which asks about young people’s experiences of getting an EHCP)
 - preparing for adulthood
- Early years providers via a focus group and a request to all providers to email any comments
- Schools and academies, including special schools and academies via a focus group and a request to all schools to email any comments
- Post-16 providers and colleges via a focus group and a request to all providers to email any comments
- Local authority staff (from children’s and adults’ services) via two drop-in sessions, a request to email any comments and, for those involved in EHCPs, POET
- Health colleagues at the CCG, via face-to-face meetings

5. *Any contributions from health and social care budgets towards the cost of specialist places*

The DSG High Needs Block meets the education element of specialist placements. Health and Social Care contribute to non education elements.

6. *How any additional high needs funding would be targeted to good and outstanding primary and secondary schools that provide an excellent education for a larger than average number of pupils with high needs, or to support the inclusion of children with special educational needs in mainstream schools*

- *examples of schools that illustrate how the local authority would support such inclusive practice are also useful*

In 2017-18, £176,145 is allocated to mainstream schools that have a disproportionately high number of pupils with high needs. This is distributed to five schools through a formula that takes into account the notional SEN funding in each school. The current allocation to the five schools is as follows:

£1,144
£5,935
£17,223
£75,274
£76,569

The formula for allocation of additional resources is to be reviewed and it is proposed to increase the funding available by £100k.

It is also intended to increase the hourly rate of the funding allocated in support of EHC Plans above the first £6,000 that schools are required to meet.

7. Details of the impact of the proposed transfer on individual schools' budgets as a result of the reduction in the available funding to be distributed through the local schools funding formula

There will be no reduction in the funding to be distributed through the schools funding formula and therefore no impact on schools. With the agreement of the Schools Funding Forum the LA has held funding within a contingency to support the transition to a national funding formula. The transfer of 0.5% (approximately £800k) of the Schools Block to the DSG will effectively be replaced by £800k held in contingency.

8. The extent to which schools more generally support the proposal, including the outcome of local school consultations

Responses to the consultation with schools will be presented to the December meeting of the Schools Funding Forum.