

Schools Funding Forum 22nd February 2018 ITEM 5

Subject Heading:	Proposal to support schools with high numbers of pupils with EHC plans
Report Author:	David Allen – Strategic Finance Manager
Eligibility to vote:	All members

SUMMARY

This is to consider options to target additional funding to support schools that have disproportionately high numbers of pupils with EHC plans on their school roll.

RECOMMENDATIONS

That the Schools Funding Forum agrees to the formula for allocation of additional funding to schools with a disproportionate number of pupils with EHC plans from the High Needs Block.

REPORT DETAIL

The high needs operational guide for 2018-19 published by the ESFA includes guidance on the allocation of high needs funding to mainstream schools and academies. The relevant extract is attached at Appendix A.

The operational guide and funding regulations allow local authorities to allocate additional funding to where there are a disproportionate number of pupils with a particular type of SEND. The distribution methodology should be simple and transparent, and devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their disproportionate number of high needs or SEND pupils or their characteristics.

Current methodology

In 2017-18 and in previous years, funding has been allocated to Havering schools based on the calculation of their notional SEN allocation.

This is based on the original DFE advice to apply percentages of the funding allocated to schools as follows:

AWPU	1.2%
Deprivation factors	16.5%
Prior attainment	100%

Schools are required to provide the first £6,000 of support from their delegated budgets for each pupil with an EHC plan. To calculate any additional funding to be allocated, the number of pupils is multiplied by £6,000 to produce the total schools commitment. If this figure is greater than the notional SEN then the difference is funded from the High Needs budget.

In 2017-18 the number of schools and the amounts funded were as follows:

<u>Primary</u>		<u>No of EHC plans</u>
School A	£76,569	23
School B	£17,223	10
School C	£1,144	7
 <u>Secondary</u>		
School A	£129,041	56
School B	£10,174	31
Total	£234,151	

Proposals for implementation from 2018-19

The review of high needs strategy has identified that additional funding should be allocated to the more inclusive schools and academies in the borough which have a significantly higher number of pupils with EHC plans relative to other schools. An additional £100k has been identified within the high needs block to support this principle providing a budget of £330k in 2018-19.

In addition, from 2018-19 the local authority is increasing the hourly rate from £12.67 to £14 to allocate top up (element 3) funding to schools with pupils with EHC plans above the first £6,000.

There is no common methodology amongst local authorities to address this issue. Some do nothing, some allocate funding to schools above a given percentage of pupils with EHCPs, some on numbers of EHCPs and others use more complex formulae. Local authorities are therefore free to develop their own formula in consultation with their Schools Forum. Options to allocate this additional high needs funding in Havering are set out below for consideration by the Schools Funding Forum.

OPTION A

To calculate a notional SEN on a similar basis to the current assumption of percentages of delegated funding but with some adjustments to reflect the change in the funding factor values within the national funding formula.

AWPU 1.0%
 Deprivation factors 16.5%
 Prior attainment 40% primary/45% secondary

Using this criterion alone funding would be allocated as follows:

<u>Primary</u>		<u>No of EHC plans</u>
School A	£110,409	30
School B	£12,105	9
<u>Secondary</u>		
School A	£71,306	45
School B	£49,824	35
Total	£243,644	

OPTION B

To allocate £6,000 for schools with more than a certain number of pupils with EHC plans

Primary £6,000 for pupil numbers above 10 increasing in bands of 10
 e.g. 12 pupils = £6,000, 24 pupils £12,000

Secondary £6,000 for pupil numbers above 15 increasing in bands of 15
 e.g. 17 pupils = £6,000, 34 pupils £12,000

This would allocate funding as follows:

Primary
 10 – 19 EHCPs 5 @ £6,000 = £30,000
 20 – 29 EHCPs 1 @ £12,000 = £12,000
 30 – 39 EHCPs 1 @ £18,000 = £18,000

Secondary
 15 – 29 EHCPs 2 @ £6,000 = £12,000
 30 – 44 EHCPs 1 @ £12,000 = £12,000
 45 – 60 EHCPs 1 @ £18,000 = £18,000

Total £102,000

Option A + Option B = £345,644

OPTION C

To determine a school's ability to absorb the cost of meeting the first £6,000 of support for each pupil with an EHC Plan by comparing its per pupil funding (without NNDR and lump sum) against the borough average. The difference will be because the school has pupils on roll with data that translates to additional needs funding in the school's funding allocation.

There is also a consideration of the number of EHC Plans that may be assumed for the size of the school. This may be determined by the percentage of the pupils with EHCPs against the borough average which is as follows:

Primary 1.45%
Secondary 1.70%

If a school has a higher than average percentage, reference is then made to the schools ability to meet the first £6,000 of costs.

For schools where the total funding above average is greater than the cost of the number of EHCPs x £6,000 then no funding is allocated. If the EHCPs x £6,000 is greater than the total additional funding received through the formula then the difference is allocated as additional funding.

For schools where the total funding below average then the additional funding is allocated at £6,000 x the number of EHCPs the school has above the borough average. This is scaled down the closer the school's per pupil funding is to the borough average as follows:

£ per pupil below borough average	Scaling factor
>£400	100%
£300 - £400	75%
£200 - £300	50%
£1 - £200	25%

Example A

School roll 240
No EHCPs 8
% of NOR 2.33
LBH average 1.45%
Above average 1.88%
X NOR 4.51
X £6,000 £27,060

School eligible for £27,060 additional funding

Affordability check

School's funding per pupil	£4,874
LBH average	£4,070
Funding above average	£804
x NOR of 240	£192,960

Funding is sufficient to meet the £27,060

Example B

School roll	320
No EHCPs	25
% of NOR	7.81
LBH average	1.45%
Above average	6.36%
x NOR	20.35
x £6,000	£122,100

School eligible for £122,100 additional funding

Affordability check

School's funding per pupil	£4,326
LBH average	£4,070
Funding above average	£256
X NOR of 320	£81,920

Funding is not sufficient to meet the full £122,100

School receives £122,100 - £81,920 = £40,180

Example C

School roll	420
No EHCPs	9
% of NOR	2.14
LBH average	1.45%
Above average	0.69%
x NOR	2.90
x £6,000	£17,400

School eligible for £17,400 additional funding

Affordability check

School's funding per pupil	£3,580
LBH average	£4,070
Funding below average	- £490
X NOR of 420	£205,800

Funding is not sufficient to meet the £17,400. Amount paid if full.

Funding would be allocated in 218-19 as follows:

<u>Primary</u>		<u>No of EHC plans</u>
School A	£75,587	30
School B	£17,100	9
School C	£9,900	9
School D	£8,820	9
School E	£4,410	11
School F	£4,020	7
<u>Secondary</u>		
School A	£171,660	45
School B	£19,900	35
Total	£312,866	