

## Schools Funding Forum 17<sup>th</sup> June 2021

## ITEM 7

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| <b>Subject Heading:</b>     | <b>High Needs Funding</b>                                    |
| <b>Report Author:</b>       | <b>Nick Carter – Principal Finance Officer<br/>(Schools)</b> |
| <b>Eligibility to vote:</b> | <b>All members</b>   |

### SUMMARY

The Local Authority's proposed approach to a refresh of the High Needs Strategy and a review of High Needs funding will be outlined at the meeting and members' views sought. This report also contains the LA's response to the DfE High Needs formula funding held earlier in the year.

### RECOMMENDATIONS

That the Schools Funding Forum:

- (i) discusses the proposed approach and that members convey their views
- (ii) notes the response submitted to the High Needs Formula Review consultation

### REPORT DETAIL

#### **High Needs National Funding Formula Review Consultation 2022-23**

In March 2021 the DfE held a consultation on changes for 2022-23 to the national funding formula used for allocations of high needs funding to local authorities. This was discussed at the meeting of the Schools Funding Forum on 23 March 2021, the day before the consultation closed. The response submitted by the LA is shown in Appendix A.

## **Dedicated Schools Grant Management Plan**

On 15 April 2021 officials from the EFSA held an 'informal meeting' with officers to discuss Havering's Dedicated Schools Grant Management Plan. Feedback from this will be given at the meeting.

## **Proposals for the review of the LAs High Needs Strategy and High Needs funding**

Details of the Local Authority's proposed approach to be discussed at the meeting.

**Submitted to High Needs national funding formula – proposed changes**

**Historic spend factor - question 1**

Do you agree that we should replace the current lump sum included in the formula calculation with an amount calculated on the basis of actual local authority expenditure, as reported by each local authority?

Agree

Please provide any additional comments:

The use of actual spending is a more logical basis for the historic cost lump sum. The data will be, however, four years old. The quantity and complexity of need has increased significantly in Havering in that period. If historical spend data is used in the formula, this should be more recent

**Historic spend factor - question 2**

Do you think that we should increase the percentage of actual expenditure in 2017-18 included in the funding formula calculation, or leave it at 50%? Use the comments box to propose a particular increase or reduction in the percentage.

Keep the percentage at 50%

Comments:

The historical spend data is increasing outdated and therefore it is reasonable for it to form a diminishing proportion of the whole. As total funding increases, keeping the percentage at 50% would result a gradual reduction in the significance of this factor. The number of pupils with High Needs and the complexity of need has increased significantly in Havering in the last four years. This is not reflected in the historic cost element of the formula.

**Historic spend factor - question 3**

To what extent do you agree that the funding formula should include factors that reflect historical local demand for and supply of SEND and AP provision? If you have any suggestions for such factors that could eventually replace the historic spend factor, please provide these in the comments box.

Agree

Comments:

Whilst we agree that the funding formula should include factors that reflect historical local demand for and supply of SEND and AP provision, we do not believe that historical cost from 2017-18 is a suitable factor. Alternative factors that reflect current local demand and cost should be used, if suitable ones can be determined. Alternatively historical spend from the last available year would be more acceptable.

We think that data collected on the SEN2 return would more accurately reflect need. The DfE have ruled out the use of EHCP data. Support provided through

EHCPs is, however, a major factor in determining the funding that the LA distributes. It therefore follows that the formula used to calculate allocations to LAs should incorporate an EHCP factor. Certainly this should be the case if the wider review of High Needs the DfE is currently undertaking brings about greater uniformity in the use of EHCPs across the country.

#### **Low attainment factor - question 4**

Do you agree with our proposal to update the low attainment factors using data from 2016, and to substitute the most recent 2019 data in place of the missing 2020 attainment data?

Agree

Comments:

This approach provides consistency with previous years and with funding for Low Attainment via the Schools Block (APT formula).

#### **SEND and AP proxies - question 5**

If you wish to offer ideas on factors that could be added to the current formula, or that could replace the current proxies, please provide further details in the comments box below. Please provide your answer in the box below:

The use of EHCP and SEN2 data would better reflect local circumstances. Support provided through EHCPs is a major factor in determining the funding that the LA distributes. It therefore follows that the formula used to calculate allocations to LAs should incorporate an EHCP factor. The use of EHCP data would go some way to capturing the impact of parental preference, identified by the IPSOS Partnership as a major driver of High Needs spending.

The DLA factor currently used in the formula could be refined to make use of the five tiers that exist within that allowance, three for Care and two for Mobility. Rigorous checks are made to ensure claims are valid.

The number of 18-25 year olds in receipt of a PIP should be incorporated.

Other deprivation indices, such as the Index of Multiple Deprivation, could be used alongside IDACI.

#### **Equalities impact assessment - question 6**

Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change. Before answering this question, please refer to Annex C of the consultation document.

Please provide your answer in the box below:

Whilst we welcome some of the proposed changes and the search for additional factors to incorporate into the formula, the overall allocation to LAs needs to increase significantly, year on year, to have a positive impact on delivery for children and young people with high needs. Many LAs have existing deficits in the High Needs Block. Measures to eliminate these deficits could impact on future provision, with the funding available to support affected stakeholders reducing in order to bring the clear historic overspends.