

# **A REVIEW OF WIRRAL'S HIGH NEEDS FUNDING FORMULA FOR SEN**

**SUMMER TERM 2015**

**Report of Commissioned Consultant Andy Simpkins**

## Contents

Executive Summary	1.0
Background	2.0
Support in Mainstream Schools	3.0
High Needs Banding in Specialist Provision	4.0
Banding Descriptors	5.0
Exceptional Need Budget	6.0
Double Top Ups	7.0
Maintained Special Schools	8.0
Early Years	9.0
Post 16	10.0
Next Steps	11.0
Suggested Questions	
Banding Descriptors	Appendix 1

## **1.0 Executive Summary**

This document is a broad review of the High Needs Funding Formula for SEN which has been in place in Wirral since April 2014. The new funding system is largely based on a number of funding bands that take account of a range of high needs and is embedded across schools and providers, although its application in some areas is limited.

Overall the system is working well. There are some further revisions that could be considered in the light of the Children and Families Act. Specifically this is in the areas of:

- banding descriptors
- the allocation of resources for Low Cost High Incidence (LCHI) SEN
- exceptional needs
- a banding plus system which could be used in some areas for the most complex needs or where there is currently a large increase between one band and another.

These areas are covered in more detail within the body of the report.

In preparation for the next steps of the review the report outlines a number of questions that could be developed and used as the basis for a consultation with schools and interested groups in the Autumn Term.

## 2.0 Background

2.1 At a meeting of the Schools Forum held on 29<sup>th</sup> April 2015 it was agreed to review the High Needs Block Funding Formula for schools and academies in the Summer Term 2015. This report sets out proposals for consideration and a series of questions resulting from this review. The resulting report should be used as a means to judge the efficacy of SEN funding arrangements and to set out an action plan where necessary in order to bring forward specific change proposals for implementation from April 2016.

2.2 Nationally, the Department for Education (DfE) are currently seeking evidence to inform longer term changes to funding for SEND. The initiative was launched in February 2015 with an acknowledgement that 'we will not have a completely fair education funding system until we also reform the distribution of funding for pupils with high cost SEND'. Reform has been lodged as a parliamentary priority. The DfE are planning for a new distribution methodology that is more formulaic and less based on past levels of allocation that have become outdated. They are seeking information regarding why the same pupils and students with SEND, or those with very similar needs, can be assessed very differently in different local authorities; and how this has made a difference to the allocation of funding. They have commissioned the Isos Partnership to work with 13 LAs (including Bury and Manchester in the NW) to focus on finding new and improved formula factors for distributing funds relating to SEND from national to local level and from local level to institutions. Given this background it is likely that changes to SEND Formula Funding will be shaped differently by the DfE within the next two academic years. It is important to recognise that any revision to the scheme in Wirral will therefore be an attempt to make improvement changes over this time period, which may be subject to further national changes subsequently.

2.3 The current funding formula for High Needs was approved by the Schools Forum in November 2013 and Cabinet in January 2014. This formula is principally concerned with the distribution of High Needs Top Up Funding for schools i.e. the Plus element of the Place Plus funding system introduced by the DfE in 2013.

Top Up funding (the "Plus" element) reflects the additional support costs in excess of place funding for individual pupils and students and takes into account factors such as the pupils individual needs and facilities/support provided.

2.4 Wirral's approach introduced in 2014-15 a system of funding for particular types of need within bands. This has resulted in bands for:

- Students attending Specialist SEN provision: Wirral's 11 special schools, reducing to 10 in 2016 and 14 resourced provisions in mainstream schools
- Students attending independent non-maintained special schools and independent schools
- Students in mainstream schools with specialist SEN funding and /or statements of SEN;
- Students in post 16 provision with element three costs; Further Education Colleges, Sixth Forms and Independent Specialist Providers (ISP) (only partially implemented);

- Students attending alternative provision; two primary behaviour bases and Wirral's Alternative Schools Programme (EMA - KS3/4 Pupil Referral Unit - short stay school).

2.5 The system introduced took account of the need to:

- ensure stability of budgets by minimising as much as possible any disturbance to current levels of funding;
- take account of possible fluctuations to funding because of part year occupancy of places and the interest of the authority to have places available;
- not to be too simplistic;
- recognise the needs of a growing number of pupils with social communication needs with relatively stronger funding than has been the case to date;
- recognise the resource intensive nature of making provision for those with the most profound and multiple difficulties;
- honour existing commitments;
- take account of the fact that there was limited scope to redistribute monies without additional funding for pupils already in the system.
- vulnerability for SEN provision, both when pupil numbers and places fall. Proposals to help overcome this included a weighted spring and summer term top up for new arrivals and a contingency fund to support specialist provision experiencing financial difficulties whilst future options are considered

The following bands were agreed

<b>Top Up</b>	<b>Cognition and Learning</b>	<b>Communication and Interaction</b>	<b>Behaviour, Emotional and Social</b>	<b>Physical, Medical and Sensory</b>
<b>Band One ( ≈ £1,000)</b>	Hayfield, Clare Mount, Orrets Meadow			
<b>Band Two ( ≈ £6,000)</b>		Hayfield, Clare Mount, Orrets Meadow	Gilbrook	
<b>Band Three ( ≈ £7,000)</b>	Stanley, Elleray, Lyndale, Foxfield, Meadowside			
<b>Band Four ( ≈ £8,000)</b>	Stanley, Elleray, Lyndale, Foxfield, Meadowside		Kilgarth, Observatory	
<b>Band Five ( ≈ £16,000+)</b>	Stanley, Elleray, Lyndale, Foxfield, Meadowside	Stanley, Elleray, Lyndale, Foxfield, Meadowside		Stanley, Elleray, Lyndale, Foxfield, Meadowside

Previous reports noted that these changes were for a 2 year period, during which time the formula would be reviewed.

2.6 In 2015-16 there is a budget of £15.6m for SEN Top Ups within an overall allocation of £34m split over the following areas:

Statements	Early Years	292,200	
or	Primary	1,325,700	
EHCPlans	Secondary (including 6th Forms)	1,998,300	
	Exceptional Need	449,200	Other
	383,100		
Top Ups	Special Schools (and 6th Forms)	6,141,200	
	Independent Non Maintained Special Schools	3,383,300	
	Home Teaching	301,400	
	EMA/WASP	420,800	
	SEN units - resourced and alternative provision	629,400	
	Support costs	11,700	
	Further Education, 6th Form College and other providers	742,700	
	Contingency	500,000	
		<b>Total</b>	<b>16,579,000</b>

The budgets for High Needs places of £16.5m and SEN Support of £2.1m are not part of this report.

### 3.0 **Support in Mainstream Schools**

3.1 The High Needs Review has been informed by updated guidance from the Department for Education (Schools Revenue Funding 2015-16) and through meetings with LA Officers, representative of Wirral Special School Headteachers, Mainstream Headteacher Forum and Schools Forum representatives.

Consideration has also been given to HN Funding Systems in other LAs, both regionally and nationally. It is intended that the review will consider any need for an updated allocation HN Funding System in Wirral which recognises the imperatives of the 0-25 element of the C & F Act 2014; enables all providers to meet needs effectively and remains affordable with available resources. While the focus of this report is primarily on Element 3 HN Top Up Band Funding it also covers some aspects of SEN funding in mainstream schools.

3.2 The great majority of pupils in Wirral schools have their needs met from the notional SEN budget comprised of Element 1 and Element 2 Funding. Children who receive support are described as having Low Cost High Incidence Needs. This is consistent with the history of SEN legislation and associated funding systems including principally the 1981 Education Act, following the deliberations of the Warnock Committee; the Education Act of 1996; Fair Funding of 2013 and the recent Children and Families Act. Consistent throughout this time is the notion that the vast majority of children with SEN will have their needs met within mainstream schools with access to devolved resources and without recourse to statutory assessment. The Warnock principle of up to 18% of the whole school population having SEN, but only approximately 2% of the whole population requiring funding beyond that available within their local school remains valid. Within Element 2 funding it is important to recognise that resources may be allocated within the range of £1k up to £6k, according to assessed needs. The DfE guidance emphasises that it is not appropriate to consider all pupils identified as being eligible for Element 2 funding to require the maximum amount of £6k. This is a threshold cost and provides a notional amount of funding. It should not be regarded by schools as a substitute for their own budget planning and decisions about how much they need to spend on SEN support, or as a fixed budget sum for spending by schools. Schools should also seek to maximise support arrangements by allocating designated SEN staff on flexible pupil group to one staff member basis (or greater if appropriate). Some updated guidance on the use of Elements 1 and 2 funding is needed for schools.

3.3 The 'safety net' of additional funding where the spending commitment exceeds 90% of the SEN Notional Budget is considered beneficial by Headteachers, the mechanism delivers a relatively small amount of resource. In 2014/15 10 Primary Schools received a total of £63k. This funding mechanism is considered more broadly later.

3.4 The Headteachers would welcome updated advice with particular reference to Element 2 funding being up to the prescribed limit of £6,000. The emphasis on the discretionary sliding

scale of expenditure should be made clear by the LA and standard wording incorporated into the SEN Information Report which each school is obliged to produce. This may assist parent/carer understanding of Element 2 and enable schools to use resources as flexibly as possible, as intended.

- 3.5 Within the Statistical Neighbour LA group Wirral is the only LA to use a single factor to determine LCHI SEN using Pupil Prior Attainment as a proxy indicator. This is a result of former determination by Schools Forum. Later in this report reference is made to Wirral having the lowest percentage of DSG in Notional SEN within the Statistical Neighbour Group. Consideration of other factors shown in the table below should be considered to ensure that the capacity of mainstream schools to meet SEN is at the optimum level and to encourage a greater flexibility in the use of resources across a wider range of funding elements. The following table shows the range of indicators and is linked to question 1.



**BREAKDOWN OF ELEMENTS IN 2015-16 NOTIONAL SEN BY STATISTICAL NEIGHBOUR**

Local Authority Name	Darlington	Halton	Hartlepool	Lancashire	North Tyneside	Redcar and Cleveland	Sefton	St Helens	Stockton - on- Tees	Wigan	Wirral
Basic Element Primary		5%	9%	8%	5%	9%	10%	1%	6%	3%	
Basic Element KS3/4		5%	9%	7%	5%	9%	10%		4%	3%	
FSM Primary	49%	5%	8%	100%	15%	20%		11%	14%	1%	
FSM Secondary	49%	5%	8%	100%	15%	20%	40%	5%	13%	1%	
IDACI Primary	49%	5%		100%	15%	20%	40%	11%		1%	
IDACI Secondary	49%	5%		100%	15%	20%	40%	5%		1%	
LAC		5%		100%							
EAL Pri/Sec		5%		100%							
Prior Attainment Primary	28%	5%	100%	100%	100%	100%	100%	100%	100%		100%
Prior Attainment Secondary	100%	5%	100%	100%	100%	100%	100%	100%	71%		100%
Lump Sum Prim/Sec		5%									
Number of Elements used for notional SEN	3	14	3	6	4	4	4	4	3	3	1

**Notes**

Halton uses 5% of Sparsity, Split Sites, Rates, PFI, Mobility, Sixth Form and Exceptional Circumstances in addition to the elements above.

St Helens allocate 11% of IDACI to notional SEN, only for bands 3 and above. 5% of secondary IDACI for band 6 only.

Darlington allocate 49% of IDACI to notional SEN, only for bands 3 and above.

### Question 1

Should alternative models be presented for consultation using a broader range of elements for Notional SEN?

- 3.6 The funding system in mainstream schools includes the commitment of the LA to provide additional funds to schools where SEN costs exceed 90% of the notional SEN budget. This has the positive advantage of enabling all schools to meet SEN even in circumstances where they receive a relatively low notional budget as a consequence of their prior attainment profile. Currently there are ten primary schools where the commitment exceeds 90% of their notional budget at a total cost of £63k, with 5 Secondary Schools in receipt of a total of £106k. The overall total of £169k enables schools to give a profile of SEN through the January census and is a mechanism to enable schools to meet SEN without recourse to seeking resources for individual pupils once the expenditure of the notional budget has reached 90%. It is important to link all funding elements together and evaluate whether the relatively low total means that the trigger percentage should be adjusted and how such a mechanism fits with deprivation funding and the Prior Attainment element of the notional budget.

### Question 2

Should there be a change to the 90% notional SEN budget additional payment?

- 3.7 A further element of targeted support in Wirral is the use of Units of Resource to fund statements. This has been in operation since April 1<sup>st</sup> 2001 and was introduced to aid flexibility in schools regarding resource deployment. From the inception of the scheme the LA no longer specified the level of support assistance in terms of staff time allocated to individual pupils, but instead specified a number of units which have a monetary value. For example, instead of specifying 0.5 Teaching Assistant time the LA allocates 5 units. The school is not required to appoint a 0.5 TA but to meet the objectives on the child's Statement of SEN or Education Care and Health Plan (ECHP) and the school will therefore determine how best to support the pupil.

At the time of writing the current estimated Unit of Resource spend for 2015/16 is:

Primary - £1,305,994

Secondary - £1,812,214

Total - £3,118,208

No amendment to this funding element is recommended.

#### 4.0 High Needs Banding in Specialist Provision

- 4.1 In line with the SEND legislative reforms introduced in September 2014 the HN funding system is designed to support a continuum of provision for pupils and students from their early years to age 25.
- 4.2 In the case of special schools and Alternative Provision (AP) the Place funding is set at £10,000 per place per annum.
- 4.3 HN top-up funding is administered by Wirral to reflect the additional support costs in excess of the Place funding to individual pupils and students. In common with many other Local Authorities, Wirral has a banding allocation system. In the funding guidance of March 2015 the DfE advocate a greater understanding of which approach their neighbouring LAs are taking. They also encourage greater collaboration than has happened to date in order to make funding arrangements more transparent and to help those institutions that receive top-up funding from more than one LA.  
As part of this review consideration has been given to arrangements in a number of neighbouring and comparative authorities.

#### 4.4 Comparative Context

##### Percentage of DSG spent on High Needs

Wirral	2012/13	13.5%	2015/16	14.25%
England	2012/13	12.8%	2015/16	13.25%

The trend from 2014/15 to 2015/16 shows marginal growth in Wirral from 14.18% to 14.25% and marginal reduction in England from 13.4% to 13.25%.

##### Wirral HN Spending. OFSTED Statistical Neighbours

Local Authority	% of DSG in Notional SEN	% of DSG in High Needs Block	% of DSG NSEN and HNB
Wirral	3.43	14.18	17.61
Stockton-on-Tees	6.76	14.11	20.87
Halton	3.83	13.88	17.72
St Helens	2.95	13.82	16.77
Sefton	12.08	13.77	25.86
Redcar and Cleveland	10.77	13.75	24.51
Hartlepool	7.43	13.60	21.03
Darlington	4.60	12.18	16.78
North Tyneside	6.07	11.84	17.91
Lancashire	13.10	11.59	24.80
Wigan	6.40	11.14	17.68

The data shows that within the statistical neighbour group Wirral has the second lowest funding allocation to support LCHI SEN in mainstream schools with the highest allocation in specialist provision and can be depicted in the following ranked table share of DSG

Local Authority	Notional SEN Rank		High Needs Block Rank		HNB and NSEN	
	National (150)	Statistical Neighbour (11)	National (150)	Statistical Neighbour (11)	National (150)	Statistical Neighbour (11)
Wirral	141	10	63	1	124	9
St Helens	146	11	74	4	133	11
Darlington	127	8	111	8	132	10
Wigan	93	6	133	11	122	8
Halton	135	9	72	3	121	7
North Tyneside	103	7	119	9	119	6
Stockton-on-Tees	84	5	67	2	79	5
Hartlepool	70	4	79	7	77	4
Redcar + Cleveland	19	3	76	6	33	3
Lancashire	7	1	125	10	32	2
Sefton	9	2	75	5	24	1

#### 4.5 Independent and Non-Maintained Special Schools (INMSS)

There are currently 95 pupils placed in INMSS with a total expenditure of £3,565,929. Within this cohort there are 54 pupils at one location. Expenditure here is £1,436,084. In total there are twenty three placements in Independent Schools with an annual average cost of £61,000 per pupil; with seventy two pupils in Non Maintained Special Schools at an annual average cost of £30,000 per pupil. These costs do not include the £10k Place element top sliced by the EFA.

#### 4.6 HN Funding Bands

An overview of the 5 funding bands in Wirral includes a comparison with some other NW LAs. While these are not the same comparators as used earlier in the DSG/HNB analysis, there is some validity in considering other 'local' arrangements

Wirral	Band 1	Band 2	Band 3	Band 4	Band 5
	£1k	£6k	£7k	£8k	£16k

Sefton	Band 1	Band 2	Band 3
	£10k	£12k	£14k

Knowsley	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7
	£6k	£7k	£8k	£10k	£12k	£14k	£16k

Salford	Band 1	Band 2	Band 3	Early years
	£5k	£7.5k	£11k	£6,250

Bury	Band 1	Band 2	Band 3	Band 4
	£3k	£5k	£11k	£23k

Rochdale	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6
	£3k	£5k	£7k	£8k	£15k	£17k

Tameside	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6
	£4k	£7k	£10k	£14k	£17k	£19k

Warrington	Band 1	Band 2	Band 3	Band 4	Band 5
	£4k	£6k	£8k	£12k	£15k

Wigan	Band 1	Band 2	Band 3	Band 4
	£6k	£9k	£13k	£14k

Stockport	Band 1	Band 2	Band 3	Band 4	Band 5
	£6k	£10k	£14k	£15k	£20k

The comparison shows that Wirral has the lowest Band 1 allocation. This is due to the descriptors of pupils in settings largely funded at Band 1 suggesting relatively low levels of SEN. However, as described earlier, it is necessary to recognise the increased complexity of the needs of the pupils in attendance in such settings. It does not suggest that Band 1 should be increased but that a review of Band 1 funded pupils be undertaken in order to ascertain the real difference between their profiles of attainment and cognition compared to those pupils who would be ordinarily expected to attend their local mainstream school. In discussion with Special School Headteachers and others with particular reference to Band 1, consultation on a modelled supplementary element to Band 1 is appropriate. The relatively large funding gap between Bands 1 and 2 means that where an enhanced level of staff input is required Band 2 becomes the next available option. Band 1+ may be a useful and flexible resource delivery mechanism to provide an enhanced input for an agreed fixed term period, subject to agreed targets and a review schedule. Band 1+ should not be viewed as an additional Band or as a 'new' Band 2, but should be targeted for specific purposes related to pupil targets in the short to medium term over one or two academic terms. Currently there are twelve pupils with additional funding at Band 1. If Band 1+ equated to an average of £4k (£3k for the + element) over a full year, this would total £36k. This compares to the current full year cost of approximately £90k. A new + system could be initially funded from current contingency budget but may be transferred to be drawn from Band 1 or Band 2 funding.

### Question 3

Should a Band 1+ system be introduced as an alternative to the current additional top up funding beyond the HN Band system in maintained special schools?

## 5.0 **Banding Descriptors**

Banding descriptors are needed in any High Needs Funding system for schools and providers. Currently the descriptors within the existing system are limited to a short outline for use within Band 5. Other Local Authorities have developed broader descriptors over all bands which take account of the four areas of need within the Code of Practice 2014 ie Cognition and Learning, Communication and Interaction, Physical and / or Sensory Needs and Social, Mental and Emotional Health. A draft model for funding descriptors is included in the Appendix.

### Question 4

Should these descriptors be used as a basis for the description of banding thresholds which would help determine the levels of top up funding in schools?

## 6.0 **Exceptional Needs Budget.**

6.1 Further to the comparative data caution expressed earlier it is also likely that basic band allocations are likely to mask real higher costs in many LAs. Currently in Wirral there are 36 pupils with exceptional/complex needs accruing a total cost of £717,500 over the 2015/16 financial year. Costs in excess of the dedicated budget of £450k are drawn from other contingency reserves. Such contingency costs are likely to exist in other LAs.

The implication for Wirral is to consider whether to embed contingency funding into the core Band scheme. While such payments may currently lead to an enhanced possibility of pupil placement, such arrangements historically lead to unplanned expenditure and a growing expectation of resource beyond Core Funding and Top Up. This is considered later in the report

With particular reference to both the Wirral Hospitals' School and Emslie Morgan Academy (EMA) the use of top up from two sources should be considered separately to funding mechanisms in maintained special schools. In the Hospitals' School there is evidence that pupil referrals, admissions and complexity of needs; with particular reference to Mental Health issues means that it is not appropriate to include this setting in the HN Band system.

## 7.0 Double Top Ups

7.1 The HNB scheme has a double top up funding adjustment mechanism to recognise the difference between the number of pupils in attendance (and their Funding Band) between each termly census. This provides the following profile using the examples of Spring Term 2015 and Summer Term 2014.

If EMA is excluded from the profile, the Summer Term 2014 and Spring Term 2015 totals are £52,700 and £33,750 respectively. This should be viewed as a timely and flexible funding mechanism to reflect small changes in pupil populations. It is welcomed by Headteachers and assists the LA with the admission of pupils with assessed SEN.

The EMA figure is a consequence of pupil number fluctuations. Consideration should be given to the issue of funding direct from schools in this setting.

Spring Term 2015 3/12ths

School	Amount	Number of Pupils	HNF Band
Elleray Park	£ 3,500	2	3
Foxfield	£ 1,750	1	3
Gilbrook	£14,000	8	3
Hayfield	£ 2,250	3	1x1, 1x2
Kilgarth	£ 2,000	1	4
Orrets Meadow	£ 4,500	3	2
Stanley	£ 1,750	1	3
Lyndale	£ 4,000	1	5
EMA (Emslie Morgan Academy)	£37,500	30	2
<b>Total</b>	<b>£71,250</b>		

Summer Term 2014 5/12ths

School	Amount	Number of Pupils	HNF Band
Elleray Park	£ 2,900	1	3
Gilbrook	£20,400	7	3
Kilgarth	£ 3,300	1	4
Meadowside	£ 2,900	1	3
Orrets Meadow	£ 800	2	1
Stanley	£ 5,800	2	3
The Observatory	£16,600	5	4
EMA (Emslie Morgan Academy)	£35,500	17	2
<b>Total</b>	<b>£88,200</b>		



## 8.0 Maintained Special Schools

There are currently eleven maintained special schools (reducing to ten from the start of academic year 2016/17). Each place is funded at £10k per annum with access to Element 3 Top Up Band funding to reflect assessed exceptional needs. At the time of writing the number of pupils in each Band is shown in the following table:

Band	Top Up	Number of Pupils
1	£1k	226
2	£6k	136
3	£7k	391
4	£8k	120
5	£16k	31

- 8.1 As stated earlier, additional Funding is allocated where assessed pupil needs indicate that enhanced staffing is necessary. This currently totals approximately £717k, including the Hospitals' School. In conjunction with the earlier Band 1+ consideration, it is timely to consider whether such a Band+ arrangement is needed in one or more of the higher funding bands as an alternative to the current additional or contingency payments. The £717k is currently allocated to 38 pupils (35 Secondary and 3 Primary) in 6 settings giving an average cost per pupil of £19,000 per annum, ranging from £6k to £53k per annum. Of these, 21 pupils have Social, Emotional and Mental Health difficulties (SEMH) as defined in the 2014 Code of Practice.
- 8.2 A time limited allocation at Band 4+ with clear assessment advice that an enhanced level of funding is required may be a viable alternative. Clear targets and systematic review should also be put in place. This may increase clarity and equity and improve upon the current system which is negotiated on a pupil by pupil basis with the Local Authority. Before any such alternative model is considered, a judgement on risk and affordability would be required. A targeted small scale pilot programme with a focus upon 3-4 pupils currently funded at Band 4 with additional top up funding would be a way to test the proposal in order to evaluate outcomes prior to potential broader adoption.
- 8.3 In some LAs new decision making arrangements have been established where request for additional funding beyond the allocated Band are considered by a panel comprised of Special School Headteachers and representatives of LA SEN Service. Such arrangements have added a 'peer review' element, improving equity and decision making regarding local provision solutions for pupils with complex needs. Such a panel would meet termly and receive relevant pupil assessment and review reports as well as monitoring the overall budget from which Band 4+ would be funded.
- 8.4 The main counter argument to the introduction of a Band+ system is that it may remove some degree of flexibility of pupil placement and could become an impediment to their timely

admission. However, a question is included to consider the potential merits and deficits of such an arrangement.

#### Question 5

Should a Band 4+ system be introduced as an alternative to the current additional top up funding beyond the HN Band system in maintained special schools? If so, should a new decision making panel be established to have jurisdiction over Band+ decisions?

8.5 The overall response from Headteachers in Wirral maintained special schools is that the High Needs Band Funding scheme broadly operates effectively. However there are a number of caveats to this judgement which should be considered. These include, firstly, Place Funding time lag and, more broadly, overall pressure for increased pupil placements. Secondly, meeting the needs of pupils with Complex Learning Difficulties and associated challenging behaviours in attendance at schools with a designation of severe learning difficulties.

8.6 Time lag funding has particular impact where the number of pupils admitted to a school exceeds the approved place plan submitted to the Education Funding Agency (EFA) by the LA. Adjustments to the approved EFA scheme require an overall significant percentage increase in the planned number of places before an upward payment 'trigger' mechanism is activated. Consequently some special schools have a deficit in their core block funding as a result of exceeding planned admission numbers. Schools Forum has responded to this issue positively and helped schools with additional funding in the current year funded from reserves. There is the likelihood of a repeat of this pressure in future years and a longer term consideration of how best to help schools in such circumstances is in the mutual interest of pupils and the LA to encourage flexibility in admissions. There is emerging national evidence of the EFA place formula being over prescriptive and there may be a wider resolution of the issues as part of the current DfE review of HN Block funding referred to earlier

#### Question 6

Could a cost calculated and affordable funding mechanism be put in place using HNB funding to offset the impact of a place funding time lag?

8.7 The conclusion from the data related to DSG/SEN Funding suggests that Wirral maintains a continuum of provision which has a relatively high level of specialist places available. However, the future need for such places may be validated by recent DfE trend data using population projections based on recent growth. These show that using a 2014 to 2023 projection, the national increases in the Primary, Secondary, Special School populations are 8.8%, 17.4% and 26.2% respectively. In the medium term it is important to match the places available to assessed needs in order to reflect the growth profile of pupils with Social, Emotional and Mental Health Needs and those with complex Autistic Spectrum Condition, including those with relatively high cognitive functioning. Such matching should include maximising places available in resourced mainstream schools as currently there is unused

capacity in some of these settings with simultaneous pressure to admit pupils to specialist settings over planned admission limits.

- 8.8 Headteachers of schools designated for SLD students have requested that descriptors of the students with the most complex needs who require enhanced staff ratios are updated and this is part of the Band + suggestion.
- 8.9 To offset some of the pressures for increased funding it may be necessary to consider cost virement. For example, the allocation of core funding of £33k per annum to each special school to promote outreach/inclusion in mainstream schools could be reconsidered. Such a funding arrangement does not exist in many other Local Authorities and is difficult to evaluate in terms of outcomes and cost effectiveness. The distinctive approaches at Gilbrook School and at Orrets Meadow have key purposes related to prevention and inclusion and may serve as a model for other such arrangements. Where this resource is not being used to enable pupils to enter or return to mainstream education from the specialist sector it may be necessary to cease such funding to meet other cost pressures.

#### Question 7

Should ringfenced funding for Special School outreach/inclusion activities cease?

## 9.0 Early Years

9.1 All early years providers in the maintained, private, voluntary and independent sectors that Wirral LA fund are required to have regard to the Code of Practice for SEND 0-25 Years. The Early Years Foundation Stage (EYFS) is the statutory framework for children aged 0-5 years. All EY providers must follow the safeguarding and welfare requirements and the learning and development requirements and must have arrangements in place to support children with SEN or disabilities. In Wirral there is a differential funding system in operation in the PVI sector and the Maintained Nurseries. It is necessary to ascertain if such an arrangement remains valid with particular reference to the updated profile of SEN across the settings and the economies of scale that may be available in settings with relatively high numbers of SEN children. Such an analysis would require a consideration of the implications for HN Block funding.

### Question 8

Does the funding formula provide clarity and equity across all early years settings?

## 10.0 **Post 16**

The post 16 providers have previously commented on a banding system and are of the opinion that it is not feasible to implement within the Post 16 cohort.

The current arrangements seem to work effectively and are seen to be beneficial from both the LA and Post 16 providers' perspectives.

Therefore no recommendations to change from the current system are proposed at this time.

## **11.0 Next Steps**

Schools Forum may resolve to reframe and prioritise the questions to form an Action Plan for a report schedule over the Autumn Term 2015 and seek modelled financial proposals for wider consultation where there are implications for local Formula Funding changes from April 2016. There is an inherent strength to many of the current High Needs Block funding arrangements in Wirral. However, the cost pressure issues and the likelihood of demand growth in SEN provision requires that the LA maximise the efficient use of resources and that the key issue of affordability is understood and 'owned' by all staff across the whole range of settings in receipt of High Needs Block Funding.

## High Needs Funding Questions

### Question 1

Should alternative models be presented for consultation using a broader range of elements for Notional SEN?

### Question 2

Should there be a change to the 90% notional SEN budget additional payment?

### Question 3

Should a Band 1+ system be introduced as an alternative to the current additional top up funding beyond the HN Band system in maintained special schools?

### Question 4

Should revised descriptors be used as a basis for the description of banding thresholds which would help determine the level of funding in schools?

### Question 5

Should a Band 4+ system be introduced as an alternative to the current additional top up funding beyond the HN Band system in maintained special schools? If so, should a new decision making panel be established to have jurisdiction over both Band+ decisions and INMSS placements?

### Question 6

Could a cost calculated and affordable funding mechanism be put in place using HNB funding to offset the impact of a place funding time lag?

### Question 7

Should ringfenced Special School outreach/inclusion activities cease?

### Question 8

Does the funding formula provide clarity and equity across all early years settings?