

## SCHOOLS FORUM AGENDA ITEM

For Action



For Information



**Brief Description of Item** (including the purpose / reason for presenting this for consideration by the Forum)

**This report asks Members to agree the publication of the proposed consultation document on the High Needs Block funding model for 2018/19. This includes sight of the estimated number of places the Authority expects to commission and the arrangements for paying top up (Plus Element) funding.**

**Date (s) of any Previous Discussion at the Forum**

The Forum considered the consultation on the 2017/18 high needs funding model on 19 October 2016 and set the High Needs Block budget in January 2017. High needs funding is regularly discussed by Members.

**Background / Context**

Please see Appendix 1 (the proposed consultation document itself) for the background to the proposals for the 2018/19 funding model.

This report focuses on High Needs Block technical and formula structure matters; how delegated budgets for individual providers are calculated and allocated in the 2018/19 financial year.

Members are reminded that the DfE has announced that, under National Funding Formula, local authorities retain responsibility for the management of their High Needs Block funding arrangements, with flexibility to adjust the basic 'Place-Plus' structure according to local needs. There are a small number of technical adjustments directed by the DfE for 2018/19 and these are explained within the consultation document. The Minimum Funding Guarantee, for special schools, can be set by the Authority between 0% and minus 1.5%.

Members are also reminded that size and continuing growth of the cost pressure within the High Needs Block, together with the development of specialist places, is one of key issues the Authority, with the Schools Forum, must manage. The Schools Forum was presented in January 2017 with a 'trajectory' forecast, which estimated the position of the High Needs Block under National Funding Formula over the next 5 years. Together with consideration of the data presented on the insufficiency of places, this trajectory lay behind the Forum's recommendations / agreement for the transfer of £5.7m from the Schools Block to the High Needs Block in 2017/18. Members should also refer to the separate report, Document HV, presented to this meeting, on the wider implications of National Funding Formula reform on the DSG.

**Details of the Item for Consideration**

Consultation Document for Publication

Please see Appendix 1, which is the draft of the consultation paper setting out proposals for the funding of High Needs provision in 2018/19. This document includes information on how the funding system works and other matters, including a comparison of our top up funding against other authorities based on 2017/18 data.

The document proposes continuity in most areas in 2018/19 but signals the need for further review of our top up arrangements and proposes some specific adjustments, most significantly in the cessation of certain top up funding arrangements for the PRUs and Behaviour Centres from September 2018. The latter, together with the holistic review of alternative provision and distribution of HNB resource across the District, is one of the key changes that the Schools Forum must consider for 2018/19 and beyond.

Regarding the 2018/19 funding model itself, the other key structural matter for the Schools Forum is whether the values of the top up (Plus) elements of funding within our Ranges Model remain cash flat in 2018/19 or whether a further reduction (up to a maximum of 1.5%) is implemented. These issues will be further considered by the Forum as we move towards setting, and balancing, the 2018/19 DSG allocation. The proposals for structural change for 2018/19 are discussed in paragraph 6 of Appendix 1.

**Members are asked to consider the document and agree for this to be published. The outcomes of the consultation will be presented to the Forum in December and Members will be asked to make final recommendations on the structure of the funding model at this point.**

## Details of the Item for Consideration

### An Additional Note on Planned Places 2018/19

An indicative view of the number of places estimated to be funded in Bradford-located settings is given in Appendix 2 of the consultation document. These include the development of additional places. In summary:

- 2,117 SEND and 371 AP places (2,488 in total) are planned to be funded from the HNB in 2018/19.
- This represents an increase of 389 places for the 2018/19 academic year on the places that were allocated (rather than held in contingency) within the 2017/18 HNB for the 2017/18 academic year. Within this figure 170 additional places are provided by special schools and academies.
- Looking slightly wider, 2,488 places for the 2018/19 academic year represents 468 more places than was planned to be funded from the HNB for the 2016/17 academic year. This is the scale of the creation of places so far, and the additional cost within the HNB. This total also incorporates growth of places the post 16 Further Education sector and the enhancement of resourced places in the early years phase.
- Adjusting for some of the places in 2018/19 being allocated on a part year basis only, 150 places out of the identified 450 additional places are to be created and funded in future years and following the establishment of new free school provision (c. £3.5m further revenue cost on top the 2018/19 planned HNB spending).

### An Additional Note on Notional SEN Funding & the SEN Floor

Local authorities are currently required to define for each primary and secondary school the value of formula funding that is 'notionally' allocated for SEND (for meeting the first £6,000 of needs for pupils with EHCPs and the needs of pupils without EHCPs).

The DfE has signalled that the local calculation of this will cease upon implementation of the hard National Funding Formula, where the DfE will be looking for other ways to define SEND funding resources.

Under Bradford's current notional SEN calculation 100% of a school's allocation under the SEND low prior attainment factor is considered to be allocated for supporting pupils with SEND, along with set percentages of other AEN factors and base £app funding. Due to the way that NFF re-focuses AEN formula funding, away from deprivation towards low prior attainment, and also significantly increases the proportion of funding that is allocated for low prior attainment, under our current calculation, the values of notional SEN allocations for schools will quite considerably increase in 2018/19 where we adopt NFF. This will be the case even though a school may receive (under a 0% MFG) the same total amount of formula funding. In this circumstance, we appreciate that schools will have mixed feelings about this change. However, the NFF is refocusing and increasing the targeting of SEND through low prior attainment. It can therefore, be said to be valid to ask schools to consider and to evidence how they are spending the full value of their prior attainment monies on the needs of their pupils. This change will have a knock on consequence on the SEN Floor, which we propose to at the very least negate in 2018/19, as set out in the attached consultation document.

In addition, a recommendation from the FFWG meeting on 4 October, linking in with the Schools Block consultation, is that, where there is headroom left in the Schools Block in 2018/19 for the primary phase as a result of the MFG, consideration is given to this headroom being transferred from the Schools Block to the High Needs Block to enable the enhancement of the SEN Floor factor, which provides a minimum level of funding for SEND taking account of higher proportions of children with EHCPs placed in schools. Further modelling work is currently taking place on this and a proposal will be set out in December. Please note that this proposal will be subject to there being headroom left in the primary phase School's Block allocation once the cost of formula funding is calculated using the October 2017 census dataset. We will not be able to confirm this until late December. Please also note that this would require the Schools Forum to approve a transfer from the Schools Block to the High Needs Block in 2018/19. Such a transfer would only be temporary for 1 year and would need to be reviewed for 2019/20.

### 5 Year Trajectory of the High Needs Block under National Funding Formula

An update will be provided to the Schools Forum verbally on the forecasted 5 year trajectory of the High Needs Block under National Funding Formula. The position of the 2018/19 HNB, as well as being subject to the outcomes of this consultation, is also moving as spending estimates are firmed up. The outcomes of the SEND review are also important to the calculation of 2018/19 HNB planned expenditure. It is expected that a detailed report on the HNB will be presented to the Schools Forum in December.

The consultation on the primary and secondary formula funding approach for 2018/19 identifies the 5<sup>th</sup> of 5 key decisions being the extent to which, and under what circumstances, could a contribution from the Schools Block be made to the High Needs Block in 2018/19. The Forum will wish to carefully consider the detailed information to be presented on the HNB in order to form its conclusion on this.

**Implications for the Dedicated Schools Grant (DSG) (if any)**

Yes – as referred to in Appendix 1.

**How does this item support the achievement of the District's Education Priorities**

Ensuring appropriate resources are available, in the right places, to support the most vulnerable children across the District, must be a key focus for the Forum, building on current good practices. It is also vitally important that, alongside managing increasing cost pressures, that sufficient resources are available to the Local Authority and to schools to meet statutory responsibilities around SEND and meeting pupil need.

**Recommendations**

**The Forum is asked to agree to the publication of the proposed consultation on the High Needs Block funding model for 2018/19.**

**List of Supporting Appendices / Papers (where applicable)**

Appendix 1 - Consultation on Funding High Needs Provision 2018/19 (with its appendices)

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