



## **INFORMATION AND CONSULTATION ON FUNDING HIGH NEEDS PROVISION** **2018/19 FINANCIAL YEAR**

### **1. Introduction and Summary**

1.1 The purpose of this information and consultation document is to set out, and collect views on, the formula approach that Bradford Council proposes to use to delegate High Needs Block funding to providers in the 2018/19 financial year. This is known and referred to as our 'Place-Plus' system.

**1.2 Bradford Council proposes to continue the system that is currently in place in this financial year with some targeted adjustments. Please see a summary of these adjustments at paragraph 1.11.**

1.3 Information is also presented on spending pressures within the High Needs Block and a warning is given about the possible necessity for the further reduction in Top Up funding rates (the Plus element). The main priority for 2018/19, and for future financial years, is to identify sufficient funding to increase the quantity of specialist places available at the same time as meeting other areas of spending pressure. The Schools Forum will consider again for 2018/19 the rates of funding applied through our Ranges Model. Providers will be aware that values of the Plus elements in our Ranges Model were reduced in this current year by 1.50% as part of a suite of measures implemented to release additional funding to balance the HNB and to enable the creation of additional places.

1.4 The Authority would like to highlight that we have identified the benefit that holistic review of our Top Up funding arrangements will have, in particular in insuring that our Top Up funding continues to be based on clear descriptors of need, continues to follow our continuum of provision as this develops, and is allocated on accurate moderation of pupil-need. The Authority plans to bring the outcomes of this holistic review into the 2019/20 cycle.

1.5 Mainstream schools and academies are asked to note the impact that the primary & secondary National Funding Formula will have on the value of resource within school budget shares that is prescribed for SEND support. This is known as the 'notional SEN'.

1.6 Providers can use their responses to this consultation to set out their views on rates of funding, and other funding matters. Providers are encouraged to keep track of the School Forum's discussions on DSG spending pressures, and the impact of National Funding Formula reform, as these progress over the autumn term. It is expected that the Schools Forum will make its final recommendations on rates of funding for 2018/19 at its meeting on 10 January 2018.

**1.7 The deadline for responses to this consultation is Monday 27 November 2017. Please address all questions and responses to Andrew Redding 01274 432678 [andrew.redding@bradford.gov.uk](mailto:andrew.redding@bradford.gov.uk). A response form is included at Appendix 4.**

1.8 All local authorities are following a direction of travel set by the DfE towards National Funding Formula. Significant changes to the way 'High Needs' provision is funded were required to be implemented by the Department for Education (DfE) for the 2013/14 financial year. These changes, which are now well established, affected activities funded by the High Needs Block (HNB), which is a specific block within the Dedicated Schools Grant (the DSG) that amounts to about 10% of the overall DSG resources available to the Local Authority funding, for:

- Children with Statements in all mainstream settings
- Special Schools, Academies and Free Schools

- Resourced Units attached to mainstream schools, academies and Free Schools
- Pupil Referral Units (PRUs)
- Behaviour Centres
- Behaviour & Attendance Collaboratives (the BACS)
- Provision for students aged post 16 in Further Education (FE) settings
- Services for high needs children that are managed centrally by the Local Authority
- Education in Hospital provision
- Children placed in out of authority and non-maintained settings

1.9 The HNB funding approach is based on the financial definition of a 'High Needs' student being one whose education (incorporating all additional support) costs more than £10,000 per annum. This threshold lays the foundation of the national 'Place Plus' framework and the basis of the definition of the financial responsibility that maintained schools, academies and other settings have for meeting the needs of children from their delegated budgets.

1.10 In terms of further changes to come from the development of National Funding Formula, the key proposals relating to the High Needs Block that have been put forward by the DfE so far are:

- The NFF proposals do not introduce a provider-level national formula for HNB funded providers. Local authorities will continue to have responsibility for the management / formula funding of High Needs Block (HNB) provisions.
- Continuation of the Place-Plus system; "not much change is planned" in this apart from some technical adjustments. Therefore, we assume for the medium term the continuation of the basics: place funding set on an annual basis via a formal process, top up monthly re-calculation etc. A technical simplification of the place funding of resourced provisions attached to mainstream settings is being implemented for 2018/19.
- The distribution of HNB local authority level funding from April 2018 will be formularised using proxy measures, with an extended timescale of transition to new funding levels (transition referencing currently levels of spending).
- The Schools Block is to be more 'ring-fenced', with only limited flexibility locally for the transfer of funds from the Schools to the High Needs Block in support of spending pressures in 2018/19 (a maximum of 0.5% of the Schools Block subject to consultation and agreement by the Schools Forum).
- The DfE expects much closer collaboration between local authorities in funding arrangements and in commissioning provision.
- The DfE also expects that local authorities will consider the organisation of their alternative provisions and how these are funded, being clear about the relative responsibilities of the HNB and school delegated budgets. The DfE is considering options for the review of alternative provision, to "make AP more rigorous" and will publish plans on this. This may affect how the different kinds of AP are funded.
- The DfE sees the importance of local authorities (and high needs providers) finding significant efficiencies in their HNB provisions, including collaborative arrangements, but also using reserves within the DSG to support initial pressures and transition and accessing the capital support, which will be made available to reshape and increase places.
- No national formula solution has been put forward yet for the funding of Education in Hospital provision (funding is still based on current levels of spending).
- Local authorities will continue to be able to spend HNB resource outside the Place-Plus framework (e.g. devolving monies for specialist services) and to support inclusion.

**1.11 As set out in this consultation document, we propose to make only targeted adjustments to Bradford's Place-Plus system for the 2018/19 financial year, with the purposes of:**

- **Complying with the directed change from the DfE for the transfer of the funding of element 1 (the first £4,000 of the place-element) to the Schools Block formula for resourced provisions, meaning that places occupied when the October 2017 census is taken will be funded in 2018/19 at £6,000. Places not occupied in the October 2017 census will continue to be funded at £10,000 as now.**

- **Responding to the implications of the primary & secondary National Funding Formula (NFF) on the calculation of the ‘notional SEN’, and the knock on impact to the SEN Funding Floor**, where we choose to implement NFF at April 2018. As the value of funding allocated via the SEN low prior attainment factor under the NFF is significantly increased, the values of notional SEN in schools are also significantly increased and the eligibility for the SEN Funding Floor is significantly decreased. We do not propose to adjust our notional SEN calculation to compensate for this; schools will see their notional SEN allocations increase where we implement NFF in 2018/19. However, we do propose that we protect the values of SEN Floor allocations for individual schools in 2018/19 so that schools receive at least the values they have received in 2017/18 under this factor. This is important in particular for the primary sector. Please also be aware that the Schools Forum is currently considering whether further support for SEND can be provided for primary schools and academies through the Floor mechanism in 2018/19 by using primary phase headroom within the Schools Block. This would require the transfer of headroom from the Schools Block to the High Needs Block. The continuation of our SEN Floor approach will be reviewed for 2019/20.
- **Implementing the changes that have been set out and considered by the Schools Forum and other working groups already.** These are:
  - **The cessation of the High Needs Block’s funding of Top Up (the Plus element) for the placement of pupils in alternative provision settings without EHCPs that remain on the roll of mainstream schools.** This especially affects the HNB direct funding positions of Bradford Central PRU and the Primary Behaviour Centres. It is proposed that the Top Up funding from the HNB will cease at 1 September 2018 with the expectation that these settings will develop direct financial relationships with the schools (or BACs) that commission places. Please note that the HNB will continue to fund the place-element at £10,000 in 2018/19. This proposal seeks purely to correct the current ‘double funding’ of these placements (the HNB pays Top Up as well as the commissioning schools retaining in full its AWPU funding). Please also note that the position of the HNB’s funding of non-EHCP placements specifically in District PRU is subject to the outcomes of the Authority’s wider alternative provision review.
  - **The full establishment of Bradford’s Place-Plus model for the funding of the newly developed early years DSP provision**, replacing previous temporary methodologies that have been in place for the funding of Children’s Centre Plus provisions.

1.12 Finally, please note that the Authority proposes that the specific resources for inclusion in Early Years settings, which are required to be established by the DfE following its national early years funding reform, will be fully funded from the Early Years Block from April 2018. Therefore, the allocation of Early Years Inclusion monies is a matter picked up by the separate Early Years Block consultation rather than here.

## 2. High Needs Block Rates Comparisons and Spending Pressures

### Top Up (Plus element) Benchmarking

2.1 Please note that the values of formula factors quoted in this document e.g. the values of ‘Plus’ funding by Range shown in Appendix 1, are indicative only for 2018/19. In particular, these values will be subject to the School Forum’s management of spending pressures within the High Needs Block.

2.2 The Authority’s benchmarking of Top up (Plus element) rates against other authorities is shown below. Accepting the limitations of the data taken from 2017/18 Section 251 Planned Budget returns, and that this makes no reference to differences in levels of need between authorities or in how provision is delivered or the nature of PRU provision, this data indicates that our top up rates per place (this is the total of funding allocated in addition to the nationally set place-element) compare as follows:

2017/18	Bradford	National Median	Statistical Neighbour Median
SEN Places (maintained special schools)	£10,387	£10,789	£10,131
Alternative Provision Places – All our PRUs *	£10,464	£7,440	£3,431

Alternative Provisions Places – our turn-around PRUs only	X3 settings: £7,416; £9,613; £10,355	£7,440	£3,431
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*\* we have PRUs that act more like special schools, so we would expect their funding rates to be higher, assuming that the PRUs in other authorities are only for turn-around provision. This is not as robust a comparison as that for special schools.*

2.3 Compared with the benchmarking for 2016/17 (national average of £7,713; statistical neighbour average of £6,021) it is evident that there has been some review of the funding of top up for alternative provision from the High Needs Block (HNB) nationally, to the extent that the HNB's responsibility for such appears to have reduced in other authorities. Outlined in the document is the proposal to cease the High Needs Block's funding of top up for non-EHCP placements for turnaround provision in PRUs and Behaviour Centres from September 2018. This has been highlighted as a proposal for the last 12 months. Alongside the double funding position, the spending comparison above adds to the evidence base for proposing this cessation.

2.4 For completeness, the averages for SEN places top up in 2016/17 were £10,485 (national) and £10,564 (statistical neighbours), which evidences that there have been some movements in these numbers.

### High Needs Block and National Funding Formula

2.5 The Schools Forum agreed with the Authority for the transfer of £5.7m of Schools Block monies to the High Needs Block for the current 2017/18 financial year. This has enabled the creation of additional specialist places, as the table in paragraph 5 shows.

2.6 Our 2017/18 High Needs Block spending baseline is £63.841m. It is estimated that our 2018/19 HNB allocation will be £65.791m (+ £1.95m).

2.7 Despite this increase, our High Needs Block continues to be under significant financial pressure, in 2018/19 and in future years. This is the result of stresses (resulting in spending pressures, including in the number of children in mainstream settings with EHCPs – estimated £1m annual increase in cost) as well the low historic spending base of our High Needs Block, which comes into play in the transition to National Funding Formula.

2.8 The DfE's initial proposals for the National Funding Formula, published in December 2016, suggested that the value of our High Needs Block should increase by £16m compared with our 2016/17 allocation. However, due to transition and capping, we would only receive half of this increase over the next 5 financial years. The DfE's September 2017 NFF announcement states that our High Needs Block would increase by £15m compared with our higher 2017/18 spending base if it was fully implemented without reference to historic spending levels. Due to transition and capping however, our allocation is increased only by £7.5m over the next 5 financial years.

2.9 It is in this context that proposals for the re-shaping of HNB funded provision and services, as well as the number of places and the values of Top Up (Plus element), must be viewed. Readers of this document will be aware of the Authority's current consultation on the future of SEND provision and services. As the purpose of this document is to set out the technical approach to the calculation of budget shares delegated to High Needs providers, it does not include the detail of the SEND review. However, it is important that readers are aware that the services included within the SEND review consultation are funded by the High Needs Block.

### Funded Specialist Places

2.10 As outlined in paragraph 5, the Authority's indicative 2018/19 DSG planned budget currently assumes the funding of the following places:

- For individual settings, the greater of either actual occupancy at October 2017 or the 2017/18 planned places total, with some adjustments to individual settings for known specific changes and planned increases and reductions.
- The continuation / full year impact of the 259 additional places that have been created between April 2017 and April 2018, which are now allocated to individual settings, including the extended early years DSP provisions.

- A further 69 additional places created at September 2018 in Special schools, DSPs and ARCs.
- Growth in the number of post 16 places in Further Education Settings, currently estimated at 38 for the full year and a further 38 from August 2018 (to be confirmed).

2.11 The Authority will continue to firm up places forecasts over the autumn term and will talk to providers, prior to agreeing the DSG's provision with the Schools Forum for 2018/19 on 10 January 2018. A revised planned places list will be presented to the Schools Forum in December 2017.

### 3. Reminder of the Key Characteristics of the 'Place-Plus' Framework

3.1 Under 'Place-Plus', delegated budgets in 2018/19 will be constructed in 2 parts:

The Place Element - the value of the 'Place' element is set at

- £10,000 per place for specialist SEN settings (pre and post 16) and for specialist Alternative Provision settings (including Pupil Referral Units)
- £6,000 per post 16 place in resourced provisions attached to mainstream settings
- £6,000 per pre 16 place in resourced provisions attached to mainstream settings where these places were occupied at the October 2017 Census \*
- £10,000 per pre 16 place in resourced provisions attached to mainstream settings where these places were not occupied at the October 2017 Census \*

*\* this is a technical revision directed by the DfE for the 2018/19 financial year. It accompanies the cessation of the deduction of high needs funded places from a mainstream school's October Census count used for the calculation of mainstream formula funding budget shares.*

These values are set nationally by the DfE. The number of places per setting will be set with the Local Authority before the start of the 2018/19 financial year and will not reduce from these figures during the year.

The £10,000 value is made up of:

- Element 1: a basic £4,000, which is the funding that all pupils attract within formula funding,
- Element 2: an additional £6,000 for additional needs, which in the mainstream primary and secondary funding formula is allocated within already delegated budgets, calculated on measures of additional need such as Free School Meals, IDACI and prior low attainment.

The Plus Element – Element 3 - the Top Up, above the value of the Place element, which is allocated on an individual pupil basis. This will be calculated on an assessment of the additional needs of individual pupils (we use our 7 Ranges Model – see Appendix 1) and allocations will be re-calculated, on a monthly basis, to take account of the movement of children. The Plus element is the only vehicle through which differences in costs associated with settings (rather than pupils) can also be recognised e.g. split sites, smaller settings. It is for local authorities, in consultation with their providers, to set the values of their Plus elements.

Plus elements will be paid to settings by the commissioning authority, which in most instances is the Local Authority. However, we propose that the Top Up element relating to alternative provision placement, where the pupil remains on the roll of the mainstream school, will become the responsibility of the mainstream commissioning school, from September 2018. This primarily affects the Top Up arrangements for Bradford Central PRU and the Primary Behaviour Centres. Placing schools (or BACs) will be expected to fund this using their element 2 funding within their formula funding allocations. The DfE, in its operational guidance, states its expectation that the Plus element charges for non-EHCP placements in alternative provisions are managed on a formulaic basis, rather than with reference to individually identified need of pupils. Currently, Top Up for these placements is funded by the HNB at 50% Range 4D and 50% Range 5, plus some additional setting-need factors, including small setting protection. We would expect a formulaic basis to

continue following the change at September 2018 and we will be discussing this further with relevant providers.

### 3.2 Other key characteristics of 'Place-Plus' are:

- For academies and other non-maintained providers, including Further Education settings, the Place element will be allocated directly by the Education Funding Agency, rather than by the Local Authority.
- Specific stand-alone maintained high needs providers i.e. Special schools and PRUs, are not able to access de-delegated or centrally managed funds within the DSG in the way that they did prior to 1 April 2013. This means that, in areas such as maternity cover for employees and trade union facilities time, settings must either purchase services, where possible, from the Local Authority, or make their own arrangements, with the cost falling to their delegated budgets.
- A basic Minimum Funding Guarantee is still required in 2018/19 for special schools, to protect an individual school's Plus allocation against reductions. This can be set between 0% and minus 1.5%. This MFG is not a requirement in other phases e.g. alternative provision or resourced units. We implement this protection by not reducing the values of Top Up funded by our Ranges Model by more than the agreed MFG. This is simple way of looking at the MFG, which works because our Ranges Model has been in place for some time and because the place-element value continues to remain cash flat.
- Local authorities are permitted to continue to separately fund additional outreach and support services that may be managed centrally or may be devolved to providers under service level agreements. It has been specifically recognised by the DfE that this sort of separate approach may be required to provide effective support services for children aged 0-19 with low incidence sensory impaired requiring high levels of specialist support in mainstream settings.

## 4. Reminder of our funding approach in this current financial year

4.1 A helpful way to outline the basics of our approach is to explain the funding model for Special schools in this current financial year, as this has laid the foundations of the funding of all high needs provision.

### Identification and Moderation of Pupil Need

4.2 As the majority of placements are commissioned by the Local Authority, the process for placing children into the 7 Ranges framework is led by the Local Authority, using the primary need data that is held by the Authority and the descriptors of need that have been agreed by school colleagues and applied for the funding of Special schools for a number of years.

4.3 As stated in the introduction, the Authority would like to highlight that we have identified the benefit that holistic review of our Top Up funding arrangements will have, in particular in insuring that our Top Up funding continues to be based on clear descriptors of need, continues to follow our continuum of provision as this develops, and is allocated on accurate moderation of pupil-need. The Authority plans to bring the outcomes of this holistic review into the 2019/20 cycle.

4.4 The Local Authority currently reviews existing pupil populations and discusses the outcomes of this with each setting. Assessment places are funded at Range 4D.

4.5 The processes for managing in year changes, and for the placement of pupils with EHCPs for the first time, are also led by the Local Authority. The Authority tracks the movement of children between settings and re-calculates funding on a monthly basis. SEN Services provides to each setting a list of pupils on roll and their funding range by the 5<sup>th</sup> day of each month. Any discrepancies in that month's data are resolved at this point, before the 10<sup>th</sup> of the month deadline. New EHCP children are placed into one of the 7 Ranges by the Authority using primary need data. Children initially placed at Range 4D are re-categorised following assessment and settings are notified of this. Settings are also notified of the proposed funding range of a child at the point of consultation on placement. Schools are able to refer to the monthly funding statements to check changes and the funding position of newly admitted pupils

4.6 Adjustments to reflect changes in the needs of individual children, where an issue has been raised by a setting, are referred to the SEN Strategy Manager / Assessment Manager. If agreement is not reached, the SEN Panel is asked to make a final decision. Where changes are agreed with the Authority, funding is updated from the next applicable month.

#### Funding Pupil-Based Need – the 7 Ranges Model

4.7 The agreed 7 Ranges Model, shown at Appendix 1, is used to assign pupils into categories of need for funding purposes. Each range has an applicable level of funding, and every pupil assigned to a range is allocated the set value of funding, regardless of setting. This model has been applied in the same way to both pre and post 16 students.

4.8 The Local Authority's intention has been to establish a single uniform framework for calculating 'Plus' funding. The Authority's expectation is that this framework will categorise the vast majority of pupils and will thus ensure consistency in the approach to the funding of high needs in mainstream and specialist settings. It is accepted that there will be a small number of children or young people that will sit outside the Ranges framework; most of whom will be placed in specialist independent provisions.

**4.9 The values of funding per pupil set for each range in 2017/18 are set out below, along with an indication of what a 1.5% reduction in these rates in 2018/19 would look like.**

Range	Plus Funding (annual value) 2017/18	Indicative Value of a 1.5% Reduction
Range 1	£0	n/a
Range 2	£0	n/a
Range 3	£0	n/a
Range 4A	£966.16	- £14
Range 4B	£3,045.23	- £46
Range 4C	£4,666.60	- £70
Range 4D	£7,269.52	- £109
Range 5	£10,599.32	- £159
Range 6	£14,122.18	- £212
Range 7	£23,205.05	- £348

The modelling at Appendix 3 shows notionally what the value of reduction would be, following a 1.5% reduction, for individual Bradford-located settings. Please see paragraph 7 for more information.

4.10 For example then, for a child assessed at Range 7 in a Special school or academy receives £10,000 Place funding and an additional £23,205 Plus funding; a total of £33,205 for a full year. Where a child is placed at a setting during the year, the setting receives the Plus value for the proportion of the year the pupil is on roll.

**Question 1: Would you support a reduction, up to a maximum of 1.5%, in the values of the Plus Funding rates, as part of the suite of measures implemented to balance the High Needs Block spending in 2018/19? If not, please explain why not.**

#### Funding Setting-Based Need

4.11 The following setting based needs factors are included in the calculation of Plus funding in 2017/18. These are allocated in addition to the values of pupil-based need funding shown in the table above.

- New Delegation Costs – an additional amount per pupil to reflect that stand alone specialist settings under Place Plus cannot access de-delegated and centrally managed services without charge - set at a flat £364 per pupil. So a setting with 100 pupils receives 100 x £364 = £36,400 additional funding.
- Small Setting Protection – an additional sum, for stand-alone settings with fewer than 75 places, to ensure a minimum level of funding for fixed costs. The formula in 2017/18 is:  
A (75 x £10,000 x 20%)

B (setting's place funding x 20%)  
= top up to the value of A where B is less than A

- Split Sites – an additional agreed sum to replicate existing cash values for schools that continue to operate across split sites (£162,850 full year allocation).
- Post 16 Places – an additional sum per Post 16 place, to continue the additional £1,100 per Post 16 place following the directed reduction from £11,100 to £10,000 place value within the national funding model. This ensures that special schools with post 16 places do not lose out from the technical simplification. This is a factor specific only to special schools.
- Cash Budget Protection – an additional total cash budget protection, for eligible settings only, which ensures that at no point during 2017/18 will the total 'Place Plus' calculated budget for an individual setting be more than 3.0% lower than the 2016/17 total level of funding (taking account of the income received for placements by other local authorities).

### In Year Re-Calculation

4.12 The value of Plus funding is re-determined on a monthly basis for the movement of children. This re-calculation is based on the position recorded at the 10<sup>th</sup> of each month. Where a child is admitted after the 10<sup>th</sup>, funding begins from the next month.

4.13 For any errors in the data for a single month, or where the position has been estimated due to the most up to date data not being available (at September, picking up all changes for the new academic year), retrospective adjustments are made in the subsequent month's calculation.

4.14 Funding for August repeats the position recorded for July.

4.15 A ready reckoner is available, which helps settings predict the impact on funding of movements in pupil numbers / ranges on a monthly basis.

4.16 The funding of additional place-element, where a setting's number on roll exceeds the number of places set before the start of the financial year, is allocated in real time during the year. An end of year reconciliation is actioned, which means that a setting's place funding will be reduced (a negative adjustment) if the setting has been allocated too much additional places funding for its annual composite occupancy.

### The Application of the Special School Approach for the funding of other High Needs Providers

4.17 The approach outlined in paragraphs 4.3 to 4.16 is currently used to calculate allocations for SEN Resourced Provisions attached to mainstream primary and secondary settings, with the following differences:

- Designated Specialist Provision (DSPs):
  - Of the setting based need factors listed in paragraph 4.11, only the cash budget protection and small setting protection factors are applied. The small setting protection factor is based on a place number sliding scale beginning at 24 places, rather than 75. The other factors are not applied, because DSPs are not stand alone units and because Post 16 places continue to be funded at the original value of £11,000 (£5,000 element 1; £6,000 element 2) within the national model.
- Additional Resourced Centres (ARCs – support for hearing and visually impaired pupils):
  - The funding model is applied to ARCs in the same way as for the DSPs above, with 3 differences. Firstly, as ARC provision is managed by the Local Authority, the monthly calculated 'Plus' element is retained by the Authority, plus the settings pay back to the Authority £6,000 for each funded place on a full year basis. Secondly, the New Delegated Costs factor is applied, as the Authority cannot access the de-delegated arrangements that resources provisions attached to maintained schools can. Thirdly, the cash budget protection factor is not applied, to enable the repayment of place-led funding.



4.18 The approach outlined in paragraphs 4.3 to 4.16 is used to calculate allocations for placements in Pupil Referral Units, with the following differences:

- The value of the Place element has now been set, by the DfE, at £10,000, but previously was set at £8,000. As a consequence, the small setting protection factor is calculated on the £8,000 per place value and an additional setting factor is included, which removes the £2,000 additional funding per place, so that the impact of the DfE's directed change to £10,000 is neutral. However, this adjustment is not applied to Primary PRU or to Ellar Carr, to recognise that, although PRUs in name, these settings act as special schools and have similar cost structures.
- For Bradford Central PRU, recognising the short term intensive nature of placements, rather than following the moderation processes, which are more suited to determining needs over the longer term, we have used a 'formulaic' basis to placing pupils into the Ranges model; placing 50% of pupils on roll in Range 4D and 50% in Range 5 on a monthly basis.
- This method is extended to calculate the Plus element for all non-EHCP students in other PRUs settings. These students are funded on a formula of 50% Range 4D and 50% Range 5.
- Of the setting based need factors listed in paragraph 4.11, only the New Delegation Costs and Small Setting Protection are employed. A separate (different) split site factor has been used. Please see below.
- The following additional setting based need factors are included in the funding model for the PRUs:
  - A split sites factor, which recognises where provision is delivered across sites that are geographically separated. For qualifying settings, we have doubled the value of the small setting protection, to recognise the duplication in running costs of a separate site (s).
  - A 'Churn' factor, for settings that delivery short term provision, to recognise additional pressures that relate to the continuous movement of children. For qualifying settings, we calculate funding on a monthly basis as follows: the mobility variable (taken from the secondary mainstream formula) x5 (this is a standard weighting for high needs provision) x number of pupils on roll.
  - A 'Rates' factor, for all settings. As special schools do not pay rates, our basic funding model does not include any provision for the cost of rates. However, PRUs are liable for rates charges.

4.19 The approach outlined in paragraphs 4.3 to 4.16 has been used to calculate allocations for placements in the Primary Behaviour Centres, with the following differences:

- The value of the Place element has now been set, by the DfE, at £10,000, but previously was set at £8,000. As a consequence, an additional setting factor is included, which removes the £2,000 additional funding per place, so that the impact of the DfE's directed change to £10,000 is neutral. This adjustment is not applied to the 5 SEN places at the Phoenix Centre.
- For SEN placements (at Phoenix Centre), pupil need is identified and moderated as outlined in paragraph 4.2. For all other behaviour placements, recognising the short term intensive nature of provision for children that do not necessarily have EHCPs, the same formulaic approach as used for the Bradford Central PRU is employed; 50% of pupils funded at Range 4D and 50% of pupils funded at Range 5 on a monthly basis.
- Like other resourced provisions, the Behaviour Centres are not stand alone units. As such, it is not applicable to apply all the setting-need based factors that are included within the special school and the PRU funding models. The only setting need based factors that have been included within the calculation of Plus funding for the Centres in 2017/18 are the Churn factor (as per Bradford Central PRU above and calculated on the same basis), the small setting protection factor and the cash budget protection factor.

4.20 An interim funding model is being used in 2017/18 for the funding of Early Years Children's Centre Plus provision as a review of this provision takes shape. This interim model applies the established principles of Place-Plus, setting the number of places on expected occupancy, funding all places at Range 4D, and including an additional allocation in response to estimated setting-based costs. Greater clarity on the proposed funding model for 2018/19, following the proposal for the fuller implementation of our Place-Plus framework, is provided later in this document.

4.21 For the funding of post 16 high needs students in the Further Education sector, it has been agreed with the relevant providers that, as, on average, colleges deliver around 60% of the hours delivered by schools, colleges are funded for the vast majority of students at 60% of the Ranges Model value for the primary need of the student. The exceptions are students with the primary need of sensory impairment (Hearing / Visual), where funding will continue to be allocated on an actual cost basis. Due to the specific support needs of these students in Further Education, and the diverse nature of their curriculum choices, it is not possible to formularise this funding element.

4.22 The funding for Education in Hospital in 2017/18 is allocated to local authorities based on a national formula with the requirement that local authorities continue the same amount per place funding as in 2016/17 (which for Bradford is £18,373 per place). As such, the Place-Plus framework is not fully applicable. This is a pragmatic, short term funding approach, in place until a longer term national solution can be developed (by the DfE). Tracks provision has been funded in 2017/18 on an amended Place-Plus formula, using the special schools Place-Plus model.

4.23 The Place-Plus framework for the funding of children with SEN in mainstream Primary and Secondary schools / academies mainstream has been applied in 2017/18 as follows.

- The vast majority of additional funding, which supports the additional costs of children at School Action, School Action Plus and with EHCPs, is allocated to schools / academies through the SEN funding formulae – calculated on low prior attainment, FSM and IDACI. This funding is allocated to schools / academies within their overall formula allocations at the start of the financial year. This is a separately identified amount on budget statements. The expectation then is that schools / academies will meet the vast majority of the costs of support for children with additional needs from these resources. This funding is known as 'element 2'.
- For children with EHCPs, a national threshold has been established, at a value of £6,000. For all children with EHCPs, the first £6,000 is allocated within the SEN formulae and the school / academy meets this proportion from their identified formula funding allocation (element 2).
- For EHCPs with a value greater than £6,000, the balance between the full cost of the EHCP (calculated using the established 7 Ranges Model) and the £6,000 threshold is allocated by the Local Authority as a separate individual amount, re-calculated on a monthly basis for the movement of pupils and changes in the value of EHCPs.
- A separate SEN Floor ensures that all mainstream settings receive a minimum amount of SEN formula funding, compared against the value of EHCPs of children at the school / academy. In effect, the Floor provides a top up for schools / academies with higher numbers of individual EHCPs at a value of greater than £6,000 that have lower levels of FSM and IDACI and generally higher levels of attainment. The SEN Floor is re-calculated on a monthly basis as the position of Plus funding changes for the movement of children.
- On top of SEN formula funding, the Local Authority publishes a 'notional SEN' figure for each school, which identifies the proportion of delegated resources that should be made available to contribute to supporting children with SEN.
- The Authority is increasingly rolling out the 'My Support Plan' initiative, which enables early access to funds for children with SEND.

4.24 Within the 2017/18 DSG, a number of centrally managed services and strategies have been continued to be funded. These have not operated according to the Place-Plus framework described above. As stated in paragraph 3.2, local authorities are permitted to continue to fund separately additional outreach and support services that may be managed centrally or may be devolved to other providers under service level

agreements. In Bradford in 2017/18, these include: the Junction Project, the Sensory Service and other SEN Teaching Support Services (formerly known as 'Learning Support Services or LSS').

4.25 The DSG continues to meet the cost of out of authority, independent and non-maintained placements for high needs children.

4.26 The DSG continues to fund mainstream and special school settings for the cost of non-transferrable education-focused specialist equipment for individual children. In 2015/16 this arrangement was extended to Early Years provision and the total DSG budget is now £100,000.

## **5. Places Setting for 2018/19**

5.1 As summarised in paragraph 2.10, the 2018/19 planned (estimated) DSG allocation currently has provision for:

- For individual settings, the greater of either actual occupancy at October 2017 or the 2017/18 planned places total, with some adjustments to individual settings for known specific changes and planned increases and reductions.
- The continuation / full year impact of the 259 additional places that have been created between April 2017 and April 2018, which are now allocated to individual settings, including the extended early years DSP provisions.
- A further 69 additional places created at September 2018 in Special schools, DSPs and ARCs.
- Growth in the number of post 16 places in Further Education Settings, currently estimated at 38 for the full year and a further 38 from August 2018 (to be confirmed).

5.2 The Authority will continue to firm up places forecasts over the autumn term and will talk to providers, prior to agreeing the DSG's provision for high needs places with the Schools Forum for 2018/19 on 10 January 2018. There is some work that still needs to be done here for specific settings, including in confirming the forecasted need for places in the Further Education Sector as further data on numbers becomes available.

5.3 The Authority will comply with the Education Funding Agency's notification of place changes process for 2018/19 for high needs places in academies and Further Education Institutions. The deadline for the EFA's process is 17 November 2017. The Local Authority continues to have flexibility to adjust places numbers for individual settings in 2018/19 and this will include adjustments to both pre and post 16 places in academies and maintained schools.

5.4 The table in Appendix 2 lists the currently planned / estimated 2018/19 places by existing Bradford-located individual high needs setting. These numbers include all places (early years, pre and post 16), including placements from other local authorities. Please note that these numbers are shown prior to the further work that is taking place to firm up numbers e.g. in FE settings.

5.5 Noting that further work is taking place on planned place numbers at this stage, the Authority estimates that 2,488 places will be funded through the High Needs Block in the 2018/19 academic year in Bradford-located settings; 2,117 places in SEND provisions and 371 places in Alternative Provision settings.

5.6 At this stage, the High Needs Block planned budget for 2018/19 does not include an additional budget for further places to be allocated.

5.7 This represents a total planned increase of 468 places on the number of places funded for the 2016/17 academic year and 109 on the number funded for the 2017/18 financial year. The table in Appendix 2 highlights where the 109 additional places are.

5.8 DSP and ARC providers will be aware that an adjustment has previously been made each year to their October Census numbers that are used to calculate their primary or secondary mainstream formula allocations. This adjustment removes the number of funded places from the October Census number, so that

these pupils are not double funded for the £10,000 element e.g. a school that has 500 pupils and is funded for 20 DSP places receives mainstream formula funding for 480 pupils and 20 lots of £10,000 from the High Needs Block. This adjustment has now ceased from April 2018 at the direction of the DfE. This means that settings will only receive an additional £6,000 from the High Needs Block for places occupied at the October 2017 Census. The Authority is required to continue to fund place that were not occupied at the October 2017 Census at £10,000. We will adjust our monthly funding statements from April 2018 to reflect this direction.

5.9 It has been agreed that an end of academic year reconciliation be carried out of the number of placements (annual composite) made by each of the 3 Behaviour and Attendance Collaboratives (BACs) against their planned available number. Where a BAC has exceeded its allocation, it is agreed that the BAC will repay the difference to the High Needs Block using an average place-value cost. This reconciliation and repayment will continue and will be applied for the reconciliation of 2017/18 academic year placements at September 2018.

**Question 2: Do you have any comments on the places (or the distribution of places) that are planned to be funded from the High Needs Block in 2018/19 (listed in Appendix 2)?**

## **6. Proposed Place-Plus Funding Model for the 2018/19 Financial Year**

6.1 It is the Authority's view that Bradford's current Place-Plus funding system is still largely robust and fit for purpose. As a result, we propose to make only targeted adjustments for the 2018/19 financial year, with the purposes of:

- **Complying with the directed change from the DfE for the transfer of the funding of element 1 (the first £4,000 of the place-element) to the Schools Block formula for resourced provisions.** As this is a revision directly by the DfE it is not a matter we are consulting on.
- **Responding to the implications of the primary & secondary National Funding Formula (NFF) on the calculation of the 'notional SEN', and the knock on impact to the SEN Funding Floor.**
- **Implementing the changes that have been set out and considered by the Schools Forum and other working groups already.** These are:
  - **The cessation of the High Needs Block's funding of Top Up (the Plus element) for the placement of pupils in alternative provision settings without EHCPs that remain on the roll of mainstream schools.**
  - **The full establishment of Bradford's Place-Plus model for the funding of the newly developed early years DSP provision,** replacing previous temporary methodologies that have been in place for the funding of Children's Centre Plus provisions.

6.2 We propose to continue to use the existing Ranges Model to categorise children for funding purposes. This Ranges Model is shown in Appendix 1. However, the Authority is asking for feedback from providers about their support for a reduction, up to a maximum of 1.5%, in the values of rates per Band.

6.3 The Authority would like to highlight that we have identified the benefit that holistic review of our Top Up funding arrangements will have, in particular in insuring that our Top Up funding continues to be based on clear descriptors of need, continues to follow our continuum of provision as this develops, and is allocated on accurate moderation of pupil-need. The Authority plans to bring the outcomes of this holistic review into the 2019/20 cycle.

6.4 Unless specifically discussed below we propose to apply our Place-Plus model in the same way in 2018/19 as we did in this current financial year as is set out in paragraph 4. For clarity this includes continuing to:

- Fund the Further Education Sector as set out in paragraph 4.21.
- Continue the cash budget protection factor at 3% for relevant settings.

- Continue the small setting protection factor for resourced provisions on the same basis as 2017/18.
- Calculate the basic SEN Funding Floor for mainstream settings using least the same cash values as 2017/18. We propose below to protect the allocations for schools and academies currently funded by this factor in 2018/19 where we also implement National Funding Formula within the Schools Block. Please also be aware that the Schools Forum is currently considering whether further support for SEND can be provided for primary schools and academies through the Floor mechanism in 2018/19 by using primary phase headroom within the Schools Block. This will require a transfer of this headroom from the Schools Block to the High Needs Block.
- Fund all assessment places at Range 4D, with the value of funding paid (where necessary) changing from the point the Assessment Panel has made its determination, as set out in paragraphs 4.4 to 4.6.
- Fund the additional place-element in real time during the year with an end of year reconciliation, which could mean a negative adjustment if the setting has been allocated too much additional places funding for its annual composite occupancy, as set out in paragraph 4.16.
- Fund Education in Hospital places at the same amount per place as set out in paragraph 4.22 plus 0.5%, to pass on the uplift the DfE has specifically provided for within the 2018/19 High Needs Block settlement.

**Question 3: Do you agree with the proposal to continue to use the existing Ranges Model framework (as shown in Appendix 1) as the basis for the calculation of the pupil-led need 'Plus' funding element for the 2018/19 financial year? If not, please explain why not.**

6.5 Where we move to National Funding Formula (NFF) for our primary and secondary phases at April 2018 the values of 'notional SEN' for individual schools will be affected. As the value of funding allocated via the SEN low prior attainment factor under the NFF is significantly increased, the values of notional SEN in schools will also significantly increase and the eligibility for the SEN Floor will significantly decrease. This will be the case even though a number of schools will not see any more funding in 2018/19 in total than they did in 2017/18. The impact of moving to National Funding Formula is set out in more detail in the separate consultation on the primary and secondary funding formula. In response to this:

- We do not propose to adjust our notional SEN calculation to compensate for this; schools will see their notional SEN allocations increase where we implement NFF in 2018/19. It is legitimate for this to take place, as NFF will allocate more funding into Bradford's schools through AEN factors than our current formula has done. It is legitimate for schools now to assess their spending on SEND vs. the NFF level.
- However, we do propose that we protect the values of SEN Floor allocations for individual schools and academies in 2018/19 that would otherwise be reduced. We propose that we ensure that schools and academies that are currently funded under the SEN Floor receive in 2018/19 at least the value of allocation they have received in 2017/18. This protection will be important in particular for the primary sector. Please also be aware that the Schools Forum is currently considering whether further support for SEND can be provided for primary schools and academies through the Floor mechanism in 2018/19 by using primary phase headroom within the Schools Block. This will require a transfer of this headroom from the Schools Block to the High Needs Block. The continuation of our SEN Floor approach will be reviewed for 2019/20.

**Question 4: Do you agree with the proposal to allow the increase in NFF AEN allocations to uplift the value of 'notional SEN' funding identified for individual schools and academies? If not, please explain why not.**

**Question 5: Do you agree with the proposal to protect in 2018/19 the values of SEN Floor allocations for schools and academies currently in receipt of this funding at their 2017/18 levels? If not, please explain why not.**

6.6 It is proposed that High Needs Block ceases to fund the Top Up (the Plus element) for the placement of pupils in alternative provision settings without EHCPs that remain on the roll of mainstream schools. This

especially affects the HNB direct funding positions of Bradford Central PRU and the Primary Behaviour Centres. It is proposed that the Top Up funding from the HNB will cease at 1 September 2018 with the expectation that these settings will develop direct financial relationships with the schools (or BACs) that commission places.

- The current 2017/18 full year cost to the HNB of Top Up for these placements is £0.766m (£0.466m Bradford Central PRU; £0.30m Primary Behaviour Centres).
- Please note that the HNB will continue to fund the place-element at £10,000.
- This proposal seeks purely to correct the current 'double funding' of these placements where the HNB pays Top Up but where the commissioning schools retain in full their AWPU funding related to that pupil.
- Further more detailed conversations on this proposal are currently taking place with directly affected providers.
- Please note that the position of the HNB's funding of non-EHCP placements specifically in District PRU is subject to the outcomes of the Authority's wider alternative provision review.

**Question 6: Do you agree with the proposal to cease, from September 2018, the HNB's double funding of the cost of the placement of pupils in alternative provision settings without EHCPs that remain on the roll of the mainstream school? If not, please explain why not.**

6.7 Following the establishment of Early Years DSP resourced provision, we propose to fully implement Bradford's Place-Plus model for the funding of these newly developed provisions from April 2018. This will replace the previous temporary methodologies that have been used to fund Children's Centre Plus provisions. Under this framework:

- Element 1 will be funded through the Early Years Single Funding Formula. Settings will receive their EYSFF rate for the children placed in their resourced centres. An additional sum will be added to each setting's actual EYSFF allocation where any resourced places are not filled. This has the affect of funding Element 1 on a fixed place-led basis for the number of places commissioned by the Local Authority.
- Element 2 will be funded at £6,000 per FTE place from the HNB (15 hours = 0.6 FTE; 30 hours = 1.2 FTE). Element 2 will be fixed before the start of the year for the number of FTE places to be commissioned by the Local Authority. The process for the allocation / reconciliation of additional place funding for over occupancy will be applied as year out in paragraph 4.16.
- Element 3 will be funded as per the 7 Ranges Model. This will be calculated on actual monthly occupancy as per other specialist settings. Pupils will be funded at Range 4D.

**Question 7: Do you agree with the proposal to fully implement Bradford's Place-Plus model for the funding of Early Years resourced provisions from April 2018? If not, please explain why not.**

**Question 8: Are there any further changes that you would wish to see made to the funding model in 2018/19? Please give details.**

**Question 9 – Do you have any other comments on the funding model or the proposals that you have not recorded elsewhere?**

## **7. Indicative Modelling (Appendix 3)**

7.1 Appendix 3 gives sight of indicative allocations for Bradford-located settings for 2018/19. Please note that these do not represent final allocations for 2018/19. In particular, the Plus element funding shown in the modelling will be adjusted for:

- The outcomes of this consultation.
- Actual monthly occupancy and the actual distribution of pupils within the 7 Ranges Model.
- Final decisions on whether the rates of Plus funding are reduced (up to a maximum of 1.5%). The notional value of a 1.5% reduction is shown in the right hand column of the appendix. Please note that the Indicative Planned Plus Funding total for 2018/19 does not include any reduction (these totals assume the 2018/19 rates of funding are held at the same value as 2017/18).

Actual 2018/19 allocations will also be affected by the finalisation of the number of places commissioned at each setting.

## **8. Consultation Responses**

8.1 Please use the responses form at Appendix 4 to submit your views on the proposals outlined in the consultation. There is space in this form for you to comment on any aspect of the proposals. If you wish to discuss these proposals in more detail, or have any specific questions, please contact Andrew Redding using the contact details shown in paragraph 1. Please ensure that your response is submitted by the deadline of **Monday 27 November 2017**.

## **9. Next Steps**

9.1 The Schools Forum will make final recommendations on the approach to the funding of high needs provision for the 2018/19 financial year on 10 January 2018. These recommendations will be made following consideration of the responses received to this consultation and once the value of DSG funding allocated to the Authority for 2018/19 has been confirmed.

9.2 Subject to the agreement of Council, the recommended approach will be used to allocate DSG funding from 1 April 2018.

## **9. Appendices**

- Appendix 1 Bradford's 7 Ranges Model 2017/18 (for reference)
- Appendix 2 2018/19 Planned Funded Places (Bradford-located settings)
- Appendix 3 Indicative Setting Modelling 2018/19
- Appendix 4 Consultation Responses Form





**HIGH NEEDS PROVISION: FUNDING CATEGORIES, BANDS & AMOUNTS 2017/18**

	Range 1	Range 2	Range 3	Range 4				Range 5	Range 6	Range 7
				Band A (16.5-21.5 hours)	Band B (22-27 hours)	Band C (27.5-34.5 hours)	Band D (35+ hours)			
PRIMARY NEED <b>Additional "Plus" Funding</b>			£0	£966	£3,045	£4,667	£7,270	£10,599	£14,122	£23,205
Mainstream Autism & SLCN						SLCN	ASD		ASD+	ASD++
Mainstream MLD/SLD/PMLD			MLD		MLD+	SLD	PMLD	SLD+	PMLD+	PMLD++
Mainstream PD							PD		PD+	PD++
Mainstream HI/VI						HI/VI		HI+/VI+		
Mainstream BESD							BESD		BESD+	BESD++

**Mainstream funding is within colour coded Bands (mainly range 4)  
Funding is determined by actual Primary Need and is shown as text**



**RESPONSES FORM****Consultation on Funding High Needs Provision 2018/19**

Name \_\_\_\_\_ Setting Name \_\_\_\_\_

**THE DEADLINE FOR RESPONSES TO THIS CONSULTATION IS MONDAY 27 NOVEMBER 2017**

Please send completed questionnaire responses to:

School Funding Team  
 City of Bradford Metropolitan District Council  
 1st Floor, Britannia House,  
 Hall Ings  
 Bradford  
 BD1 1HX

Tel: 01274 432678

Fax: 01274 435054

Email: [andrew.redding@bradford.gov.uk](mailto:andrew.redding@bradford.gov.uk)

Please complete the questionnaire by marking the appropriate boxes. There is a space below each question for you to record comments.

**Question 1: Would you support a reduction, up to a maximum of 1.5%, in the values of the Plus Funding rates, as part of the suite of measures implemented to balance the High Needs Block spending in 2018/19? If not, please explain why not.**

**Strongly Agree**  **On Balance Agree (some reservations)**  **Strongly Disagree**

If not, please provide further explanation here:

**Question 2: Do you have any comments on the places (or the distribution of places) that are planned to be funded from the High Needs Block in 2018/19 (listed in Appendix 2)?**

**Question 3: Do you agree with the proposal to continue to use the existing Ranges Model framework (as shown in Appendix 1) as the basis for the calculation of the pupil-led need 'Plus' funding element for the 2018/19 financial year? If not, please explain why not.**

Strongly Agree       On Balance Agree (some reservations)       Strongly Disagree

If not, please provide further explanation here:

**Question 4: Do you agree with the proposal to allow the increase in NFF Additional Educational Needs allocations to uplift the value of 'notional SEN' funding identified for individual schools and academies? If not, please explain why not.**

Strongly Agree       On Balance Agree (some reservations)       Strongly Disagree

If not, please provide further explanation here:

**Question 5: Do you agree with the proposal to protect in 2018/19 the values of SEN Floor allocations for schools and academies currently in receipt of this funding at their 2017/18 levels? If not, please explain why not.**

Strongly Agree       On Balance Agree (some reservations)       Strongly Disagree

If not, please provide further explanation here:

**Question 6: Do you agree with the proposal to cease, from September 2018, the HNB’s double funding of the cost of the placement of pupils in alternative provision settings without EHCPs that remain on the roll of the mainstream school? If not, please explain why not.**

**Strongly Agree**       **On Balance Agree (some reservations)**       **Strongly Disagree**

If not, please provide further explanation here:

**Question 7: Do you agree with the proposal to fully implement Bradford’s Place-Plus model for the funding of Early Years resourced provisions from April 2018? If not, please explain why not.**

**Strongly Agree**       **On Balance Agree (some reservations)**       **Strongly Disagree**

If not, please provide further explanation here:

**Question 8: Are there any further changes that you would wish to see made to the funding model in 2018/19? Please give details.**

**Question 9 – Do you have any other comments on the funding model or the proposals that you have not recorded elsewhere?**

A large, empty rectangular box with a blue border, intended for the user to provide their comments on the funding model or proposals.