

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 consider the outcomes of the consultation on the 2021/22 High Needs Funding Model and also provides information on other strategic high needs funding matters.

Date (s) of any Previous Discussion at the Forum

The consultation document was presented to the Schools Forum meeting 14 October 2020.

Background / Context

The consultation document outlined the formula approach that the Authority proposes to use to delegate Dedicated Schools Grant High Needs Block funding to high needs providers, mainstream schools and academies and other settings in the 2021/22 financial year April 2021 to March 2022.

In summary, the Authority proposes to:

- Uplift the rates of funding allocated via the EHCP Banded Model, as follows:

	(1) % Increase Top Up Only	(2) % Increase Top Up plus £6,000	(3) % Increase Top Up plus £10,000
Band 3L	+ 13.8%	+ 3.0%	+ 2.0%
Band 3M	+ 8.4%	+ 3.0%	+ 2.1%
Band 3H	+ 6.6%	+ 3.0%	+ 2.2%
Band 4L	+ 8.9%	+ 5.0%	+ 4.0%
Band 4M	+ 8.3%	+ 5.4%	+ 4.4%
Band 4H	+ 7.3%	+ 5.2%	+ 4.4%
Protected 7	+ 7.3%	+ 5.9%	+ 5.2%

- Uplift the rates of funding allocated via the PRU Day Rate Model. Together, with the fixed £10,000 per place, a proposed 7.29% increase in the day rate results in an overall 4.14% increase in funding per pupil for each occupied place.
- Revise our SEND Funding Floor mechanism, in trial for a year, in support of Element 2 funding for EHCPs in mainstream primary and secondary settings.
- Add into our arrangements the allocation of the Teacher Pay Grant and the Teacher Pension Grant.

The Authority does not propose further technical changes, including to our definition of notional SEND.

The Authority also presented to the Forum meeting on 14 October a schedule of high needs financial information, which will be provided within the annual meetings cycle for the Forum's review. Today's report presents:

- A statement on high needs places sufficiency (Appendix 1).
- Information on High Needs Block spending on placements in independent provisions and in non maintained special schools.

Forum Members are asked to note that the other information to be presented as per the schedule (High Needs Block planned budget and current spending position and balances) is presented under agenda items 7 and 8.

The Authority expects to present a first iteration of a fuller outline DSG Management Plan, focusing on the High Needs Block, at the 13 January meeting.

Details of the Item for Consideration

Consultation & Responses

The consultation ran between 14 October and 2 December. In support of the publication of the consultation document, School Funding Team attended the DAP, BPIP, the RC Partnership, the Primary & Secondary Business Manager Forums and the Secondary CEOs group. A briefing note was also circulated to the governor forums via Governor Services.

Details of the Item for Consideration

Forum Members are encouraged to present their feedback from their discussions with colleagues. We received three formal responses to the consultation, one from a maintained primary school, which agreed with the proposals, and one from a maintained secondary school, which did not answer all the questions but which agreed on balance with the proposals for the Banded Model. This response asked for further clear guidance on the criteria used for banding and also asked the Authority to ensure that the Teacher Pay and Pension Grant allocations in respect of resourced provisions are not 'double funded'. A third response was received from the BD3 Local Area Partnership and this response will be communicated verbally in more detail to the meeting. Although the response agreed or agreed 'on balance' with the proposals, it contains similar feedback to that which has been provided informally elsewhere, including by the primary business managers. It is important that Forum Members are aware of this wider feedback and of the Authority's response to it.

As with the Schools Block consultation, the low formal response rate is perhaps reflective of the COVID-19 situation. In presenting to the various groups, the Authority did not receive negative comments expressed in real time specifically about the proposals themselves. This included the more significant proposal, which is to amend the SEND Funding Floor mechanism for mainstream primary and secondary schools and academies. Some feedback, which will be reported to the meeting, expressed concerns about the adequacy of SEND funding, of the Banded Model, and the impact of SEND provision on mainstream schools.

Members are asked to consider whether any of the proposals should be amended and / or whether further information is required in order for the Schools Forum to make its recommendations, on 13 January 2020, on the Authority's High Needs Funding Model for 2021/22.

Statement - High Needs Places Sufficiency

Please see Appendix 1 for the Statement on SEND places sufficiency at November 2020. This has been written, and will be presented by, the Strategic Manager, Intelligence and Sufficiency.

High Needs Block – Spending on placements in independent provisions and non-maintained special schools

Although other factors influence spending, there is a widely recognised relationship between the value of spend in the High Needs Block on placements in independent settings and non-maintained special schools (NMSS) and the sufficiency of places that are available to a local authority through its 'internal' places development in maintained schools and academies. Placements in independent settings and NMSS are a legitimate and important part of an authority's provision, especially for children and young people with the highest levels of need. But, typically, spend on independent and NMSS placements is higher where there are fewer, or an insufficient number of, internal places available to an authority. The average cost of placements in independent settings / NMSS is typically higher (though some of this is explained by the higher level of need of pupils). But an authority does not have direct influence over the price that is charged and this is subject to market forces. So ensuring the sufficiency of 'internal' places is a key part of an authority's strategy to deliver efficiency and value for money within the High Needs Block.

As part of its consultative role, to provide feedback on our current and forecasted High Needs Block spending strategy, we wish the Schools Forum to regularly consider two main points in this area:

1. Whether we have, and are continuing to create, a sufficient number of specialist places within Bradford to ensure that we are not over-reliant on independent settings and NMSS.
2. Where we have the joint commissioning of placements (between education, social care and health), whether the apportionment of their cost between parties is reflective of respective responsibilities thus ensuring, in the case of the education element, that the charge to the High Needs Block is accurate and proportionate.

We present in Document MH a forecast of £9.45m of spend in this year on placements in independent, non-maintained and out of authority provisions. Approximately £0.70m of this is for placements in maintained provisions in other mainly bordering authorities. £8.75m is for placements in independent and NMSS.

£9.45m is the 3rd largest spend heading in the High Needs Block, after spending on special schools / special school academies and on EHCPs in mainstream primary and secondary schools and academies. Our spending has increased quite substantially, and steadily, over the last 4 years, as shown in the table below:

	HNB Spend	Change on Previous Year
2016/17	£5.049m	n/a
2017/18	£6.152m	+ £1.103m
2018/19	£7.130m	+ £0.978m
2019/20	£8.199m	+ £1.068m
2020/21 (estimate)	£9.445m	+ £1.246m

Details of the Item for Consideration

Growth in spend is caused by an increase in both the number of placements as well as in prices. We recorded 94 pupils placed at January 2020 compared with 74 at January 2018. The 2021/22 planned budget for the High Needs Block currently assumes a continued £1.25m increase in spend. This growth has taken place over a period when we have also created more than 700 SEND places.

As shown in Appendix 1, at January 2020, 1.28% of Bradford's pupil population was recorded in special schools and special school academies. This compares with 1.19% at January 2019. The national average was 1.46% at January 2020 and 1.38% at January 2019. The Yorkshire & Humberside average was 1.25% at January 2020 and 1.17% at January 2019. If Bradford's special school population was at the national average of 1.46%, we would have recorded a further 180 pupils in special schools. However, if 1,498 pupils had been recorded in our special schools at January 2020 (100% of our now available places) our percentage would have been 1.48%. This indicates, at a simple level, that we have come more in line in respect of our number of special school places available as a proportion of our school population. However, Appendix 1 also shows that we do not have much spare capacity remaining in our special schools and so the continued development of additional special school places is an important part of our High Needs Block spending strategy.

Looking more closely at the benchmarking of our population in independent and non-maintained settings, in 2019/20, 1.1 pupils in every 1,000 in Bradford was placed in an independent provision or non-maintained special school, compared with a national average of 1.9, a Yorkshire and Humberside average of 1.2 and the average of our 5 closest statistical neighbours of 1.4. Looking specifically at the number of pupils with EHCPs, at January 2019, 2.4% of pupils in Bradford with EHCPs were placed in independent or non-maintained settings compared with a national average of 5.0% and a Yorkshire and Humberside average of 3.5%. The January 2019 position compares against the January 2017 position as follows – Bradford was 0.8%, the national average was 5.2% and the Yorkshire and Humberside average was 4.4%. So, between 2017 and 2019 Bradford's % of population increased from 0.8% to 2.8% whereas the position in other authorities decreased. However, in 2019/20 Bradford's overall % was lower than the national and other averages. Tied in with the benchmarking of special school places, this indicates that we are not currently out of line with other authorities in respect of our use of independent and NMSS placements. However, we will wish to closely monitor this. We are aware that local authorities nationally are seeking to develop more places in order to reduce their reliance on other provisions and therefore, we would expect the benchmarking picture to alter.

The 2nd consideration is apportionment of the cost of placements that are jointly commissioned. In respect of this aspect of the High Needs Block, this could be seen on the surface to be a more limited consideration - on current 2020/21 budget figures, only £1.03m of the £9.45m cost to the High Needs Block relates to jointly commissioned places. However, the apportionment of the cost of jointly commissioned placements is part of an on-going discussion and review with health, which includes the funding of continuing care health services and equipment in schools and which together have wider significant financial consequences for all parties, but including for the Authority and for schools, especially for special schools.

To give an initially summary for the Forum's awareness, on current 2020/21 budget figures, £1.03m of the £9.45m cost the High Needs Block relates to jointly commissioned places. There are currently 24 jointly commissioned placements with a total cost of £5.23m. The average cost of these placements individually is significant (the most expensive placement is currently £345,000). 16 of the 24 have an agreed education contribution that is charged to High Needs Block; the cost of the remaining 8 is only split between health and social care (the Authority) because the pupils are above statutory school age. The 16 placements, where there is a charge to the High Needs Block, cost £3.69m in total with this cost currently split 28% (£1.03m) to education, 67% (£2.47m) to social care and 5% (£0.19m) to health. Apportionment is agreed on an individual pupil basis based on need. As presented to the Forum in recent meetings, the Authority is currently discussing the apportionment of the cost of jointly commissioned placements with health. The summary presented here evidences that the social care element of these placements is a significant cost to the Authority, met from base budget.

Schools Forum Members may also recall that the Authority entered into a Social Impact Bond, which funds pro-active early support aimed at reducing the likelihood of children and young people who are identified as being 'at risk' of being placed in expensive independent provision. This Bond in particular is a mechanism that the Authority has employed in seeking to control the increase in cost to the Authority's base budget. The High Needs Block currently contributes £0.07m to this Bond annually.

Following previous recent discussions, we are aware that the Forum wishes to continue to closely consider these issues and this will form part of our DSG Management Plan going forward.

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

As set out briefly in Document MI (DSG update). More detailed information will be presented on 13 January.

Appendices

Appendix 1 – SEND Places Sufficiency Statement November 2020

Recommendations

- (1) The Schools Forum is asked to consider the information provided in respect of wider High Needs funding matters.**
- (2) The Forum is asked to consider the outcomes of the consultation on High Needs Funding for 2021/22 and whether any of the proposals should be changed in the light of responses.**
- (3) Members are asked to note that they will be asked to make their formal recommendations on the structure of the High Needs Block funding formulae on 13 January. As such, Members are asked to consider whether sufficient information has now been provided to enable these final recommendations to be made.**

Contact Officer *(name, telephone number and email address)*

Andrew Redding, Business Advisor (Schools)
01274 432678
andrew.redding@bradford.gov.uk

Emma Hamer, Strategic Manager, Intelligence and Sufficiency (Appendix 1)
01274 439535
emma.hamer@bradford.gov.uk