



Report to Schools Forum

Date: 8th December 2020

Title: Proposals for the Allocation of Top-Up Funding for Special Schools 2021-22

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Schools affected: All Special Schools

Recommendations:

Schools Forum is asked to

- a) Agree the proposed band values
- b) Agree the proposed transitional arrangements
- c) Agree to apply for an exemption from the Special School MFG

It is also proposed that a review of the impact of the model on special schools is carried out after 6 months.

Reason for decision: to implement a needs led funding model in line with the outcomes of the consultation with schools.

Executive summary

The report outlines the proposed model for the allocation of top up funding for special schools in 2021-22 including the calculation of band values and proposals for transitional support in moving towards the new funding mechanism.

The report also outlines the requirement for an exemption to the special school minimum funding guarantee (MFG).

The proposed funding mechanism will

- i. Bring funding in line with government guidance to ensure funding is allocated on a needs led basis;
- ii. Deliver on the Council's priorities and the Local Area SEND Strategy;
- iii. Ensure the way that top-up funding is allocated is fair, simple, consistent and transparent, and enables us to plan how we meet the increasing number of pupils with EHCPs.

1. Background

1.1. A report was considered by the Buckinghamshire Schools Forum on 30th June 2020 confirming the outcomes of the consultation on the allocation of top-up funding to support pupils with Education, Health and Care Plans (EHCPs) and the implementation of a needs led funding system based on an adapted model for Buckinghamshire which was agreed by Cabinet Member decision on 17th June 2020. Implementation of the new funding model is to be phased with initial implementation in special schools from the 2021-22 financial year.

1.2. On 30th June Schools Forum agreed:

- a) The principles behind the band values in June 2020.
- b) The principles for transition to the new model including support for schools that would see a reduction in funding under the proposed model.
- c) To apply to the Secretary of State for an exemption to the Minimum Funding Guarantee for Special Schools to enable implementation of the new top up allocation process from April 2021.

1.3. In order to progress towards implementation in special schools from April 2021 next steps were identified as

- a) Implementation of the moderation process, as part of the banded funding model;
- b) Calculation of band values and modelling of the phased transition to the new funding allocation method;
- c) Piloting of implementation within other provision; the next phase of this will be with Additionally Resourced Provisions (ARPs) and SEN Units within mainstream schools, and Pupil Referral Units (PRUs). One Secondary ARP, one Primary ARP and one PRU were piloted using the model in November 20.
- d) The Needs and Provision Group will plan the next phase of implementation of a banded model. This will be considered in future reports to Schools Forum.

2. The Proposed Funding Model

2.1. The High Needs Operational Guide 2021 to 2022 states that *“top-up funding is the funding required over and above the core funding an institution receives to enable a pupil or student with high needs to participate in education and learning”* and that this *“should reflect the costs of additional support to meet the individual pupil or student’s needs.”*

2.2. The principles for developing top-up values were agreed by Schools Forum as follows:



- 1) There will be 5 Bands for use across all settings from mainstream to special schools;
- 2) A further “exceptional” band is proposed to recognise the most complex needs that may be met within Buckinghamshire schools;
- 3) Average group sizes and numbers of adults providing specialist support (excluding teachers) working with pupils will be used as a basis for the calculation of top-up values.
- 4) A single band value should be calculated for each of the bands set at a level determined to meet the needs of the children in that band rather than variable values according to the differing primary SEND needs (para 1.6 above).
- 5) A fringe uplift be applied to special school top-ups for schools in the relevant part of the county. For 2021-22 this is set at 1.75%.

2.3. Having applied the agreed principles the values of the bands are proposed as follows:

BAND	Top up	Fringe
2	5,820	5,922
3	9,701	9,870
4	19,401	19,741
5	29,102	29,611
Exceptional	58,203	59,222

3. Affordability and Transition

3.1. Through the autumn term, banding and moderation has been carried out for special schools to confirm the agreed process, which has informed the financial modelling. The financial values of the bands have been applied to the outcome of the banding process to give an indicative financial impact for each special school. Top up funding in any financial year will be dependent on the mix of pupils within a school and therefore any modelling is indicative as it reflects the pupils in a school at a point in time.

3.2. A summary of the outcomes of the banding process and the financial impact is shown in Appendix 1 to this report. Application of the new top up figures to the outcome of the moderation results in changes in funding for individual schools compared with the previous year. Some schools will receive an increase under the new model and some will receive a reduction compared with 2020-21. It should be noted that the modelling compares the indicative funding under the proposed funding mechanism with the funding the school would receive in a full year based

on the agreed September 2020 places. In some cases this means the stated budget for 2020-21 does not match actual funding but it enables like for like comparison between the models.

3.3. A transition process and level of support therefore needs to be applied. The following principles were agreed by Schools Forum in June as being essential to an equitable model:

- 1) Gaining schools need to move as quickly as possible to the new model to ensure they are appropriately funded for the needs of pupils in the school;
- 2) Schools facing a reduction in funding will have a longer transition period in order to manage reductions, with less disruption to staffing and provision.

3.4. Having reviewed the outcome of the banding and moderation exercise it is proposed that a “stepped” approach is applied to the transition phase as the impact on individual schools needs to be managed as fairly as possible and in a way that does not de-stabilise the finances of any single school. Having completed the initial modelling it is not felt possible to have a single transition period for all schools given the scale of change in some cases.

3.5. The proposed model is therefore as follows:

Change	Transition yrs
Increase	3
Decrease under 500k	3
Decrease 500k-1m	5
Decrease 1m+	10

3.6. Under this proposed model the maximum in year loss to any school in 2021-22 is 5% compared with 2020-21 on a like for like basis. The maximum gain in year 1 is 6%.

3.7. This model does give an affordability gap of £517k as transition for some of the reductions is longer than for the increases in funding. This will need to be funded from within the High Needs Block.

3.8. It is important that the financial impact of the model is monitored and it is proposed that a 6 month review is carried out during the 2021-22 financial year.

4. Minimum Funding Guarantee for Special Schools

4.1. The minimum funding guarantee (MFG) protection for special schools in 2021 to 2022 is set by a condition of grant that applies to local authorities’ dedicated schools grant (DSG), and protects schools from seeing a reduction in funding from

year to year assuming that the number and type of places remains the same between 2020 to 2021 and 2021 to 2022 financial years.

4.2. In order to implement the transition to the new model it will therefore be necessary to seek permission from the Secretary of State to be exempted from the Special Schools Minimum Funding Guarantee (MFG), so that we can manage the appropriate changes in funding. This is provided for within the High Needs Operational Guidance and can be applied in cases where local authorities are proposing to change their banding systems. In considering any application for exemption from the MFG, the DfE will need to see that there is agreement from Schools Forum and that the schools affected have been consulted.

4.3. Without an exemption to the MFG it will not be possible to reduce funding to any school.

5. Legal and financial implications

5.1. The proposals in this report relate to the implementation of a revised methodology for the allocation of top-up funding to support pupils with Education, Health and Care Plans. Funding to support pupils with EHCPs is allocated from the High Needs Block within the Dedicated Schools Grant (DSG). Indicative modelling shows that there is an additional cost of £517k in 2021-22 if the proposals are implemented as recommended in this report.

5.2. Legal Implications

The Local Authorities legal responsibilities are set out in Part 3 of the Children and Families Act 2014. In particular:

Section 37 of the Children and Families Act 2014 provides:

(1) Where, in the light of an EHC needs assessment, it is necessary for special educational provision to be made for a child or young person in accordance with an EHC plan—

(a) the local authority must secure that an EHC plan is prepared for the child or young person, and

(b) once an EHC plan has been prepared, it must maintain the plan.

Section 42 of the Children and Families Act 2014 provides, as relevant:-

(2) The local authority must secure the specified special educational provision for the child or young person.

(6) 'Specified', in relation to an EHC plan, means specified in the plan.

The Council fully expects that the level of funding at each band will continue to meet the needs specified in EHCPs.

S 175 of the Education Act 2002 provides that a local authority shall make arrangements for ensuring that their education functions are exercised with a view to safeguarding and promoting the welfare of children. In doing so, authorities have to have regard to the Secretary of State's guidance. The proposed model for allocation of top up funding is consistent with the duty under s 175 of the Education Act 2002 as it is in line with the High Needs Operational Guidance 2020-21 and the aim of the model is to ensure fairer distribution of resources for the education of children with high needs, within the context of all children's EHCPs being met.

S149 of the Equality Act requires public authorities in the exercise of their functions to have due regard to the need to

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

An Equalities Impact Assessment (EIA) has been undertaken in relation to the proposed model for allocation of top up funding. The EIA concludes that as the project is focused on developing a new funding model for schools/settings, any impact on service users is minimal, and the transition arrangements proposed will minimise disruption to any impacted school. These arrangements would ensure children and young people are not disadvantaged. The policy aims to provide a fairer, more transparent and equitable approach to funding allocation, based on need so that children presenting with similar needs are funded at the same rate.

