

## Wiltshire Council

### Schools Forum

12<sup>th</sup> November 2015

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### High Needs Recoupment

#### Purpose of report

1. To provide an update regarding the recoupment from schools in relation to High Needs place funding.

#### Current Position

2. At the March 2015 Schools Forum meeting it was agreed to implement a number of measures to assist with the overspend in the High Needs block. One of these measures was to recoup place funding from schools with unfilled places within both Resource Bases and also the ELP provision.
3. A number of schools within Wiltshire have unfilled places within their High Needs provision and some others have exceeded their number of High Needs places.
4. Invoices were raised to schools with unfilled places for the months from April to August 2015. The table below sets out the number of schools invoiced and the amount invoiced.

<u>Recoupment</u>	<u>Schools Invoiced</u>	<u>Total Invoiced</u>
Resource Base	12	£115,833
ELP	11	£207,500
<b>TOTAL</b>	<b>21*</b>	<b>£323,333</b>

\*(2 schools have both a Resource Base & ELP provision)

5. Following receipt of the invoice and accompanying explanatory letter, a number of schools made contact with the Local Authority (LA) and the Education Funding Agency (EFA) to express their concerns.

## **EFA Position**

6. Following a number of complaints directly to the EFA regarding the recoupment exercise being undertaken by the LA, the EFA contacted the LA to obtain further details.
7. The place funding forms part of an individual schools budget share for the funding year. The place funding forms part of the school's income as detailed on its Funding Certificate, issued by the LA to maintained schools or by the EFA directly to academies.
8. The principle behind the place funding is to provide a base level of funding for the institution. The EFA expressed their concerns at the current recoupment action being taken and suggested that it is perfectly legitimate for LA's to use their top ups' mechanism to adjust school funding, as these do not form part of a school's underlying core budget. This would ensure full compliance with the funding regulations.
9. The top ups are paid in addition to the place funding and paragraph 83 of the Schools Revenue Funding 2015-16 Operational Guide states that;  
  
*“Top-up funding is that which is required over and above place funding, to enable a pupil or student with High Needs to participate in education and learning. The EFA makes an allocation to local authorities for High Needs as part of the DSG. Local authorities decide how much to set aside in their High Needs budget, which they then use to pay top-up funding to institutions.”*
10. The EFA have suggested that the LA use the top ups mechanism as a tool to make any adjustments to an individual school's funding, through either not paying, or paying reduced top ups to schools which are operating with unfilled places.

## **Considerations**

11. In order for the LA to remain compliant with the funding regulations, it is proposed that Wiltshire reconsiders its current position with regard to the current recoupment.
12. Preliminary work has been carried out to review the value of top ups payable to individual schools. This work has enabled the LA to identify the level of recoupment available for 2015-16, using this approach.
13. Top up payments have been made to schools for the period from April to October 2015. However, there are still top up payments to be made to schools on a monthly basis from November 2015 to March 2016.
14. The total anticipated recoupment funding for 2015-16, using the original approach was estimated to save the LA through unfilled place

funding a total of £776,000. However, the fully compliant recoupment is estimated to save the LA either £186,190 or £239,927. The table below summarises the position;

<b>Recoupment</b>	<b>Resource Base</b>	<b>ELP</b>	<b>TOTAL</b>
Original place recoupment (est.)	£278,000	£498,000	<b>£776,000</b>
Fully Compliant (Apr 15 – Mar 16)	£80,729	£159,198	<b>£239,927</b>
Fully Compliant (Sept 15 – Mar 16)	£42,171	£144,019	<b>£186,190</b>
Budgeted Savings (RAG)	£50,000	£200,000	<b>£250,000</b>

15. Please refer to Appendices 1 & 2 for a detailed breakdown of the compliant recoupment, by school, for both ELP and Resource Bases.
16. At its meeting in March 2015 when Schools Forum agreed to the recoupment, it was estimated that this would save £250,000 from the High Needs budget. Depending upon the decision of SFWG, the fully compliant approach to the High Needs recoupment is still able to make significant savings towards the anticipated figure.
17. The Finance Director from the Acorn Academy Trust met with representatives of the SFWG to discuss the implications of the current recoupment. Further to this, there was a lengthy discussion surrounding the minimum level of funding required to support a Resource Base to ensure that it is able to fully cater for the needs of its pupils.
18. At present Wiltshire has eight Resource Bases with planned places for between 2 and 6 pupils. The financial viability may dictate that the nature of the provision would vary between schools. These Resource Bases are to be reviewed by the SEN team.

### **Proposal**

19. Schools Forum is asked to note the content of the report.
20. In response to the EFA's guidance, Schools Forum are asked to give consideration to the most appropriate method for recoupment of High Needs funding whilst remaining compliant with the schools funding regulations.

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