

## **Wiltshire Council**

### **Schools Forum**

**12<sup>th</sup> November 2015**

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### **Review of High Needs Places for 2016-17**

#### **Purpose of report**

1. To provide an update regarding the recent document issued by the Education Funding Agency (EFA), "*High Needs funding 2016 to 2017*" and "*High needs: place change request process – Technical Note for 2016 to 2017*".

#### **High Needs Places for 2016 to 2017**

2. The EFA issued guidance in September 2015 which details that under the *School and Early Years Finance (England) Regulations 2014*, local authorities have the flexibility to make changes to the number of pre-16 places funded in maintained schools. The changes can apply from April 2016, but the expectation is that the number of places would be amended from the start of the 2016-17 academic year.
3. Local authorities are also able to make changes to the number of pre-16 place numbers used for academies. Any changes to an academies place numbers would be reflected in their EFA funding allocation and would have to be agreed by the individual institution. The changes would apply for the 2016-17 academic year.
4. Any changes to the place numbers for academies must be agreed between the local authority and the academy and will form the basis of the EFA funding.
5. No changes can be made as part of this process to post-16 places.
6. Changes to place numbers in both maintained special schools and special academies are included in this process.
7. At this stage the EFA have assumed that there will be no additional high needs funding in 2016-17. The High Needs block funding will be based upon the 2015-16 year and no changes are expected.

#### **Wiltshire Approach**

8. Wiltshire Schools Forum has always supported the principle of 'the money following the child' - a principle of enabling the High Needs funding to follow the child in order to meet their individual needs.

9. Wiltshire's High Needs block was significantly overspent in the 2014-15 financial year. A package of measures was adopted by Schools Forum for 2015-16 in order to try and prevent such an overspend recurring.
10. The most contentious of these measures was for the recoument of unfilled places in both Resource Bases and ELP provisions in primary and secondary schools. An exercise to recoup the unfilled 'place' funding indicated that there are a significant number of unfilled places across Wiltshire schools.
11. Naturally, there has been much resistance to the issue of schools having funds recouped. However most schools are in agreement with the principle that, funding of unfilled places is unsustainable and that these funds should be directed to those schools who are admitting pupils above their number of planned places.
12. The opportunity to be able to review and amend the number of planned places at Wiltshire schools has not arisen for a number of years and the guidance now provides Wiltshire with an opportunity to review its allocation of planned places.
13. A simple analysis regarding the number of unfilled places within Wiltshire and also schools exceeding their planned number of places has revealed the following;

|                            | <b>ELP</b> | <b>Resource Base</b> | <b>TOTAL</b> |
|----------------------------|------------|----------------------|--------------|
| July '15 – Unfilled places | 52         | 31                   | <b>83</b>    |
| July '15 – Excess places   | 21         | 11                   | <b>32</b>    |
| <b>Net unfilled places</b> | <b>31</b>  | <b>20</b>            | <b>51</b>    |
| Oct '15 – Unfilled places  | 56         | 21                   | <b>77</b>    |
| Oct '15 – Excess places    | 27         | 7                    | <b>34</b>    |
| <b>Net unfilled places</b> | <b>29</b>  | <b>14</b>            | <b>43</b>    |

14. Based upon the analysis of 'place' information as at July and October this year, it can clearly be seen that:
  - the number of empty places being funded stood at 83 and 77 respectively.
  - schools which had accepted pupils in excess of their planned places were being funded for an additional 32 and 34 places respectively.
  - the current numbers of agreed planned places are not fully supporting the principle of 'the money following the child'.



## Options for the Future

15. Looking forwards the regulations provide the opportunity to consider options to review the number of High Needs places funded within Wiltshire schools.
  - **Option 1**  
Retain the status quo.
  - **Option 2**  
Revise the 'place' numbers at each school, to the actual number of pupils within the Resource Base or ELP provision in the 2015-16 year.
  - **Option 3**  
Agree a core number of funded places with each school and then fund each additional place, above the core number.
  - **Option 4**  
Agree zero places at each school and simply pay for place funding monthly, based upon the actual number of High Needs pupils.
  - **Option 5**  
Revise the number of 'places' agreed to mirror a certain point in time in the 2014-15 year to maximise the number of places funded, but retain the mechanism to recoup from top ups.
16. Option 1, whilst being acceptable with those schools with unfilled places, would not allow for the principle of 'the money following the child'.
17. Option 2, would provide a solution in terms of reducing the place funding to those schools with unfilled places. However, it is possible for schools to have a significant change in their High Needs numbers of pupils during the course of the year, which could result once again in the LA funding unfilled places. For example, one secondary school has seen its number of pupils reduce from 25 to 17 during the year and as a result, the school could be funded for 8 unfilled places.
18. Option 3, would provide a minimum guaranteed number of places and funding at the school. All places in excess of this would be funded by the LA providing the additional 'place' funding based upon the actual number of pupils in the school.
  - a. Schools would still be able to estimate their income each year as they would have knowledge of the pupils leaving the school and those starting in the school.
  - b. The key advantage of Option 3 is that the control over the expenditure of the 'place' funding would be centrally controlled and as such there would be no need for recoupment in the future and no unfilled places.

- c. Option 3 could be implemented easily with maintained schools but would require individual agreement by academies.
19. The table below sets out the impact of reducing the 'place' numbers to individual schools and its impact upon the total number of 'funded' places, for illustrative purposes;

|                       | <b>ELP (26)</b> | <b>Resource Base (24)</b> | <b>TOTAL</b> | <b>Place Funding £</b> |
|-----------------------|-----------------|---------------------------|--------------|------------------------|
| <b>Current places</b> | 360             | 267                       | 627          | <b>£6,270,000</b>      |
| <b>0 places</b>       | 0               | 0                         | 0            | <b>£0</b>              |
| <b>5 places</b>       | 130             | 120                       | 250          | <b>£2,500,000</b>      |
| <b>8 places</b>       | 208             | 192                       | 400          | <b>£4,000,000</b>      |
| <b>10 places</b>      | 260             | 240                       | 500          | <b>£5,000,000</b>      |

20. Option 4, would provide schools with no guaranteed place funding but schools would continue to be funded for the actual numbers of High Needs pupils in the school. Schools would still be able to estimate their income each year as they would have knowledge of the pupils leaving the school and those starting in the school.
21. The key advantage of option 4 as with Option 3, is that the control over the expenditure of the 'place' funding would be centrally controlled and as such there would be no need for recoupment and no unfilled places.
22. There are a number of authorities throughout the country who have adopted a similar model, whereby the number of funded places is considerably below the actual number of High needs places, giving greater control of the High Needs budget.
23. Option 5 provides the ability to review the number of High Needs places at each institution, whilst ensuring that the maximum number of places to be funded does not exceed the 'actual' places required in 2014-15. This option would provide some assurances in terms of ensuring that Wiltshire can demonstrate to the EFA that it has an agreed number of high needs places, should this be reflected in any changes to the funding formula, as detailed in para's 24 – 27.
24. Option 5 would also allow the LA the opportunity to recoup through top ups in the future.
25. In order to maximise the number of places, the number of pupils in High Needs places as at May 2015, would provide the highest yield, see Appendix 1.

## **EFA – Future Funding of High Needs**

26. The EFA recently commissioned some research (ISOS Institute) into the funding of High Needs and considered any options for the future. There have been no formal decisions from the EFA, however it is known that the overall budget for High Needs is unlikely to be increased and therefore any amendments would come in the form of a redistribution of funding.
27. Should Wiltshire consider option 4, then there is a danger that Wiltshire will be viewed by the EFA as having zero High Needs places. If a new funding approach was introduced by the EFA, which distributed High Needs funding on the basis of the number of High Needs places, then selecting Option 4 could have a detrimental impact upon the future High Needs block funding. This could therefore be deemed a 'risky' approach.
28. The alternative approach which the EFA could give consideration to, is funding High Needs places based upon the actual numbers of High Needs pupils in a school, from census data, and fund the school on the basis of lagged funding. This approach would mirror that of the mainstream school funding, but would ensure that 'the money followed the child' but on a lagged basis.
29. Unfortunately, the EFA are not able to confirm their position with regards to future funding of High Needs and therefore Wiltshire needs to consider an approach which does not prejudice, or will have a minimum impact upon, future funding.

## **Resource Bases**

30. Resource Bases are generally smaller than ELP provisions and 22 out of the 24 in Wiltshire are in primary schools. Current Resource Bases range in size from 2 to 32 places. The average size is 11 places, but this is slightly skewed as 14 Resource Bases have less than 11 places.
31. There is a principle behind planned place funding in that it provides a base level of funding for the school, for example to cover the costs of employing a Resource Base Manager.
32. Planning for the number of pupils in a Resource Base can sometimes be unpredictable, particularly with the uncertainty of numbers arriving into the Reception year.

## **ELP Provision**

33. Enhanced Learning Provisions are provided in secondary schools, with 27 ELP's across the County. The average size of an ELP is 13 places, however they do range in size from 6 places to 28 places.

34. ELP's are funded in the same manner as a Resource Base, however there is greater certainty about the numbers of incoming pupils with High Needs as this has followed the pupil from the primary school.

### **Proposals**

35. Schools Forum is asked to note the content of the report.
36. Schools Forum to agree that Wiltshire should use this opportunity to review the number of High Needs places at all of its schools and submit the amendments to the EFA by the deadline of the 16<sup>th</sup> November 2015.
37. Schools Forum to give consideration to adopting one of the options detailed in paragraph 15. (A different option could be selected for Resource Bases and ELPs).

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Report author: Grant Davis, Schools Strategic Financial Support Manager  
01225 718587 / [grant.davis@wiltshire.gov.uk](mailto:grant.davis@wiltshire.gov.uk)