

School Funding Reform – update and workplan to address implementation of funding changes for high needs pupils

Purpose of report

1. To update Schools Forum on progress to date on the implementation of schools funding reform for high needs pupils and on the work still to be completed.

Background

2. The DfE proposals for school funding reform include significant changes to the way in which provision for pupils with high needs is to be funded from the 2013-14 financial year. The DfE have defined high needs pupils in financial terms as those requiring provision costing in excess of £10,000. In Wiltshire this reflects pupils within Special Schools (maintained special schools, academies and Independent and non-maintained special schools), Resource Bases and Enhanced Learning Provision (ELP).
3. Named Pupil Allowances (NPAs) for pupils with statements of over 15 hours will also be funded through the new High Needs Block within DSG but those pupils are still identified for funding purposes through the mainstream formula.
4. Schools Forum has already been briefed on the required changes to funding for high needs pupils but they can be summarised as follows:
 - Funding for high cost provision to be on a “place plus” basis with a base amount of £10,000 for each planned place and a top-up to be provided for each pupil by the commissioner (usually the local authority).
 - The place plus methodology is to be implemented for all specialist provision including maintained, academy and independent specialist provision.
 - The top-up funding is to be agreed between the commissioner and the provider on a per pupil or per learner basis and will be provided in or close to the real-time movement of a pupil or student
 - The LA will be responsible for funding specialist provision for pupils/learners up to the age of 25 and funding streams will be aligned to enable this to be implemented. Post-16 specialist SEN and LDD providers will be funded in the same way as mainstream post-16 settings: a per student allocation calculated by the national 16-19 funding formula and an allocation of £6,000 per high needs pupil or student. Any top-up funding will then be paid by the commissioner.

- The cessation of inter-authority recoupment arrangements for the purchase of places in maintained settings with commissioners dealing directly with individual providers.
5. There are also changes to the funding mechanisms for alternative provision and for hospital education. For alternative provision Wiltshire needs to confirm with the DfE and/or EFA how funding will be directed to the LA given that there is no place led provision within Wiltshire.

Main considerations for School Forum

6. In order to implement the funding reforms for high needs pupils the DfE identifies 3 key tasks that local authorities need to undertake before April 2013. This report attempts to flesh out the actions that we will need to take within Wiltshire in order to achieve those key implementation task and also identifies longer term tasks to support the development of the Wiltshire funding model for high needs pupils.
7. The 3 key implementation tasks identified by the DfE to be achieved by April 2013 are:
- a. Mainstream pre-16 funding formula – by October 2012 the mainstream element of SEN funding needs to be agreed by Schools Forum and submitted to the EFA for approval;
 - b. Determine place numbers in specialist SEN and AP settings
 - c. Rework providers' budgets as place-plus so as to set top up rates for 2013-14 (by April 2013)
8. Appendix 1 identifies the progress made to date against these tasks, the specific actions required in a Wiltshire context, and the longer term actions proposed to support the successful implementation of the funding model.

Proposals

9. It is proposed that Schools Forum consider the tasks outlined in Appendix 1 and agree the work required for the implementation of funding reform for high needs pupils in the Wiltshire context.
10. It is proposed that the Formula Review Group for High Cost Pupils previously established by Schools Forum remain in place as the consultative group throughout this process, reporting through to the SEN Working Group.
11. It is proposed that the membership of the Formula Review Group be expanded to include a member of the Children's Services Commissioning Team to provide expertise in relation to independent sector provision and support on contracting arrangements.

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Appendices

Appendix 1 - Summary of Actions to Implement Funding Reform for High
Needs Pupils

Appendix 1 – Summary of Actions to Implement Funding Reform for High Needs Pupils

DfE Key Task	Wiltshire Actions Required	Progress	When
Mainstream pre-16 formula	Determine the allocation of funding for high incidence, low cost SEN through the mainstream formula	Allocation of funding for high incidence, low cost SEN agreed by Schools Forum in July 2012	July 2012
	Decide on the level up to which mainstream schools and academies will contribute towards provision for pre-16 high needs pupils	Wiltshire has agreed to comply with the DfE strong recommendation that mainstream schools should meet the first £6,000 of provision for pre-16 high cost pupils. Additional funding will be delegated to primary schools within the proposed formula to enable this to be met (first 15 hours to be delegated)	July 2012 April 2013
	Identify the notional SEN budget mainstream schools and academies will receive	This has been identified on the impact statements provided to schools in the consultation on the mainstream formula and will be identified on the funding certificates issued to schools for 2013-14	September 2012
	Define the financial provision that mainstream providers will make in terms of the provision that they will offer ie., the “local offer” as defined in the Green Paper on SEN and Disability	To be managed by the DCA Pathfinder Project	September 2014
Agree place numbers in Specialist SEN and AP Settings	Data return to DfE to confirm place numbers funded in 2012-13 and to be funded in 2013-14	Numbers funded in ELP, Resource Bases and Special Schools (including independent schools) have been confirmed to the DfE. Planned place numbers for 13-14 still to be finalised	September 2012
	Planned place numbers for Resource Bases and Special Schools to be determined between the LA and Schools and submitted to the EFA (pre and post 16)	Discussions with individual schools are under way	October 2012
	Numbers of residential and day places		

	for special schools to be agreed and any impact on funding (including MFG) identified		
	Post-16 data collection for 2012/13 and identification of place numbers for 2013/14 to be carried out and confirmed to EFA	Currently in progress	September 2012
	Confirm AP Place numbers to DfE	No place numbers have been confirmed to the EFA for Alternative provision because of Wiltshire's participation in the PTI trial on exclusions and the intention to devolve funding to schools. Further clarification and guidance to be sought from the EFA on how to ensure funding for this group of pupils is identified and passed to Wiltshire	October 2012
Rework providers' budgets as place-plus and calculate top-up rates	Translate current budgets for Special Schools, Resource Bases and ELP into a place plus methodology to enable initial estimates to be shared with schools	Initial estimates for ELP and resource bases have been included in the impact statements in the consultation with schools on the mainstream formula	September 2012
	Agree how specialism funding for special schools should be incorporated in to top-up values	To be discussed and agreed with heads of special schools on 8 th October	October 2012
	Quantify the impact of delegation of central budgets on special school budgets on the total cost of the school to incorporate in to top up rates		October 2012
	Work with special schools and resource bases to look at the impact of in year pupil movement and the potential for including occupancy factors within top up rates		Oct-Dec 2012

	Review banding values in the light of agreed planned place numbers and affordability (agreement previously reached that banding framework to be used as a basis for calculating top up levels)		Oct-Dec 2012
Other work required in addition to DfE key tasks	Define and agree banding moderation process for ELP, resource bases and special schools	1 st draft in place to be discussed with special schools, ELPs and RB at the moderation meetings throughout October and November	November 2012
	Review and agree revised SLAs with resource bases		September 2013?
	Review banding descriptors for resource bases	Develop discussion already commenced with schools re the development of a “continuum” of banding for resource bases similar to that already in place for special schools	April 2013?
	Develop contracting agreements with independent and non-maintained special schools – build on current cross regional agreements	SEN and Contracts to follow up via south west regional and national contracting developments	April 2013
	Support for schools in contracting agreements with other local authority commissioners		
	Develop, where possible, agreements with neighbouring local authorities regarding the approach to purchase of cross border placements	General agreement across south west authorities that top up values will reflect existing agreed prices and that local banding frameworks will form the basis of top up values. SEN and finance to continue to engage in regional meetings.	April 2013
	Review ELP and NPA provision in mainstream schools to develop continuum of banding and recognised banding descriptors in accordance with the local offer		For financial year 2014-15 at the earliest

	Develop budget for hospital provision in accordance with new DfE guidance	Detailed guidance still to be issued	
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