

REPORT TO: Schools Forum
DATE: 22 March 2017
REPORTING OFFICER: Senior Finance Officer, Financial Management Division
SUBJECT: High needs national funding formula and other reforms, Government Consultation – Stage 2

1.0 PURPOSE OF REPORT

1.1 To report to the School Forum on the suggested Schools Forum response to the Stage 2 consultation.

2.0 RECOMMENDATION: That the report be noted.

3.0 SUPPORTING INFORMATION

3.1 The Stage 2 consultation was announced by the Department for Education on 14th December 2016 along with indicative budgets.

The consultation closes on 22nd March 2017 and Schools Forum members were offered the opportunity of meeting as a Sub-Group to decide on their responses.

The Sub-group met on Friday 3rd March and held discussions on the questions posed and implications for Halton.

Attached are the responses from the Sub-group.

4.0 POLICY IMPLICATIONS

4.1 None

5.0 OTHER IMPLICATIONS

5.1 None

This document is to help groups of individuals collate views before submitting their response to the high needs funding consultation via:

<https://consult.education.gov.uk/funding-policy-unit/high-needs-funding-reform-2/>

Any responses submitted in this form via the consultation mailbox will not be accepted unless special arrangements have been discussed.

Overall approach

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

- Yes
- No

Please explain your reasoning and any further evidence we should take into account:

No

Formula factors

We are proposing a formula comprising a number of formula factors with different values and weightings.

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think is the right proportion or amount for each factor.

2. Do you agree with the following proposals?

Historic spend factor – to allocate each local authority a sum equal to 50% of its planned spending baseline

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

We think that the proportion is about right.

Basic entitlement – to allocate to each local authority £4,000 per pupil

- Allocate a higher amount
- This is about the right amount
- Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

Allocate a higher amount

Based on our assumption that this is the number of learners with SEN, we would prefer an allocation of a higher amount, with the increase coming from the LPA.

3. We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

Population – 50%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

[Allocate a lower proportion](#)

[Allocate a lower proportion, as we have a higher than average number of learners with SEN we cannot support the amount of funding going through this factor. This factor does not recognise the numbers of SEN learners.](#)

Free school meals (FSM) eligibility – 10%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

[Allocate a higher proportion](#)

[Deprivation appears to be a reasonable proxy indicator for SEN so it would be sensible for more funding to be targeted through this factor.](#)

Income deprivation affecting children index (IDACI) – 10%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

[Allocate a higher proportion](#)

[As for FSM eligibility](#)

Key stage 2 low attainment – 7.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

[Allocate a lower proportion](#)

[We have said under the basic entitlement factor that we think that should be higher taken from the LPA factor.](#)

Key stage 4 low attainment – 7.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

Allocate a lower proportion

We have said under the basic entitlement factor that we think that should be higher taken from the LPA factor.

Children in bad health – 7.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

The proportion is about right.

We would like to point out that the 2011 census would exclude learners of 16-17 years of age and some additional funding should be included for them.

Disability living allowance (DLA) – 7.5%

- Allocate a higher proportion
- The proportion is about right
- Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

The proportion is about right.

Funding floor

4. Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in the consultation document.

- Yes
- No

Please explain your reasoning and any further evidence we should take into account:

Yes

Halton agrees with the funding floor.

5. Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?

- Yes
- No

Please explain your reasoning and any further evidence we should take into account:

Yes

Local budget flexibility

6. Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?

- Yes
- No

Please explain your reasoning and any further evidence we should take into account:

Yes

7. Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?

We are developing our proposals on the level of flexibility to allow in the longer term. We will consult fully on our proposals at a later stage, but would welcome any initial comments now.

As the population of children with SEN increases, LA's need to increase their High Needs spend as these learners needs are identified. Without flexibility between Schools Block and the High Needs block LA's we have real concerns about our ability to meet the needs of our most vulnerable learners. Mainstream schools have no incentive to continue their inclusivity and this will worsen if their budgets are protected and they will not be impacted by the pressures on the High Needs block. Mainstream schools are also increasing the numbers of pupils being permanently excluded and the costs of these pupils are falling on the High Needs block by alternative provision or independent schools.

The provision allowing Schools Forum to agree to this flexibility in 17-18 is needed for 18-19 and beyond. If we don't get the funding right for learners with SEN it will impact on their outcomes and future employment.

Further considerations

8. Are there further considerations we should be taking into account about the proposed high needs national funding formula?

The increase in Mental Health issues amongst learners is requiring a huge amount of support from schools and other providers which have had no increase in funding. There seems to be no recognition of mental health needs within this formula.

There is also no recognition of the inflationary and other increases in the costs of Independent and Non-Maintained Special Schools. Given the increase in demand for places, LA's are having to pay what providers ask and challenges to costs are being undermined by the lack of provision available.

The reduction in the levels of funding means that work on preventative measures is adversely impacting on the level of support needed at later stages which has a significantly higher cost.

Equalities analysis

The question below refers to the equalities impact assessment published with the consultation.

9. Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?

We strongly believe that without the flexibility to move funding between the Schools Block and High Needs block it will become increasingly difficult to continue to comply with the Equality Act due to lack of funding.

As Mental Health is recognised within the disability protected characteristic we are concerned that there appears to be no additional funding or consideration of this particular cohort of learners.