

From: Roger Gough, Cabinet Member for Children, Young People and Education

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**To: Children's, Young People and Education Cabinet Committee
22 November 2017**

Subject: High Needs Funding

Classification: Unrestricted

Past Pathway of Report: None

Future Pathway of Report: None

Electoral Division: All

Summary: This report summarises a recent review of Kent's approach to High Needs funding for children and young people with special educational needs and disabilities in mainstream schools and academies. It also outlines the planned improvements from April 2018, to manage overall affordability and target the funding more effectively to pupils with the most complex needs.

Recommendation(s): The Cabinet Committee is asked to note the outcome of the review and endorse the recommendations to implement revisions to the current approach

1. Introduction

- 1.1 High Needs funding is the system which supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25. It is provided to local authorities through the High Needs block of the Dedicated Schools Grant (DSG), and must be spent providing the most appropriate SEN provision in mainstream schools (in line with the conditions of DSG).
- 1.2 Guidance from the Education, Skills and Funding Agency (ESFA) states that schools and academies should have sufficient funding in their delegated budget to enable them to support pupils' SEND where required, up to a mandatory cost threshold of £6,000 per pupil. Only when this threshold is crossed, can a school apply to the local authority for High Needs top up funding from the DSG. This national policy change was introduced in 2014.

- 1.3 With support from the Schools' Funding Forum, the Council introduced a funding system for mainstream schools which could provide earlier access to resources, better targeting of funding to pupil needs and avoid the need for lengthy statutory processes. This was implemented across Kent in April 2015. Kent is one of a very small number of authorities who fund without the need for statutory assessment, using the national funding threshold as criteria.
- 1.4 The Children and Families Act 2014 introduced reforms to the way in which children and young people with special educational needs and disabilities (SEND) are supported, introducing a new statutory duty to ensure that they and their parents and carers are able to participate in decisions that affect them.
- 1.5 Kent set out its plans to deliver the reforms in its SEND Strategy 2013-2016 'Working together, improving outcomes'. In 2017 we completed a review of our progress and our revised Strategy is focused on ensuring good SEN practice in every school by 2020 through core standards delivered by a workforce skilled to support children with autism, speech and language difficulties and behavioural needs.

2. High Needs Funding

- 2.1 Kent's current investment of £30.7m targeted funding to support SEN pupils in mainstream schools (including outreach and the specialist teaching and learning service) means that schools are able to access resources for individual pupils without the need for a lengthy and costly statutory assessment. By June 2017, the number of pupils in mainstream schools and academies supported through High Needs funding had risen to over 2,500 (from 900 in 2014-15 under the previous system) at a cost of over £23m per annum. The forecasts indicated that schools' applications may exceed 3,000 pupils.
- 2.2 This level of demand is financially unsustainable. DSG reserves are fully depleted. A more affordable system, in line with the level of funding Kent receives from Central Government is essential. The Government's National Funding Formula changes are going to remove our ability to transfer unallocated Dedicated Schools Grant funding from the Schools Block into the High Needs Block, meaning that for the medium term the High Needs budget is effectively capped.
- 2.3 In order to ensure system changes build on the most effective current practice, targeting resources to the pupils with the most complex learning needs, and experiencing the greatest barriers to learning, a detailed review of the existing arrangements has been undertaken and a new approach will be introduced from April 2018.
- 2.4 In the intervening period between September 2017 and March 2018 it has been necessary to take some immediate action, whilst also being mindful that changes should be designed to allow schools time to plan. As a result interim adjustments are only being applied in respect of new applications from 1st September 2017; pro-rata payment based on 30% deduction, and a deferred start date of 1 December 2017. No adjustments have been applied in respect of funding already in place. These interim measures do not represent a reduction

in funding for any school as every new application which is agreed continues to result in additional funding to the school.

- 2.5 Comparative information from other local authorities indicates that many are experiencing similar High Needs budget pressures. Leaders and Chief Executives across the South East have signalled concern about the growth in costs. Whilst local authorities are keen to fully implement the reforms, there is a balance to be reached in how they are achieved within constrained budgets. Patterns in the South East reflect those across England.
- 2.6 Table 1 compares Kent High Needs block as a rate per pupil (HNB funding divided by the total school population), to all 150 Local Authorities between 2014-15 and 2017-18. It shows that Kent has increased the funding rate significantly more than the average.

Table 1 – All LA High Needs blocks expressed as a rate per pupil (total school population)

| | 2014-15 | 2017-18 | Change |
|-------------------------------------|---------|---------|--------|
| Minimum | £457 | £521 | +£64 |
| Maximum | £1,831 | £1,775 | -£56 |
| Average | £769 | £827 | +£58 |
| Kent | £790 | £978 | +£188 |
| Kent's ranked position (out of 150) | 70 | 37 | 33 |

3. County wide Review

- 3.1 The review took place between March and July 2017. Data was gathered at an individual school and pupil level, with views from Headteachers and SENCOs invited through a separate online survey. School visits were arranged to sample the uses of High Needs funding in 46 Primary schools and 10 Secondary schools. Mainstream specialist resource provision (SRP) and Special schools were out of scope as was funding for FE College provision which is subject of a separate review.
- 3.2 The review found that schools, regardless of size, with the most effective SEN practice clearly have a whole school response, are clear about the overall effectiveness of the SEN interventions; and highlight the class teacher's responsibility for in-depth provision mapping and support for pupils in the classroom, with oversight from the SEN Co-ordinator and senior leaders.
- 3.3 The review also found that the demand for High Needs funding does not always follow a pattern related to pupil socio-economic profile and levels of need across the schools.

Four groups of schools emerged:

- 1) very inclusive, good provision, little HNF demand
 - 2) appropriate levels of demand on HNF; used well
 - 3) over reliance on HNF and TAs; some ineffective interventions;
 - 4) very little use of HNF, do not always engage in LIFT and may not have effective SEN provision.
- 3.4 The review identified that more inclusive schools with whole school approaches to SEN make less demand on HNF.
- 3.5 The review found an over-reliance on the use of teaching assistants (TAs) providing one to one support for pupils as the predominant form of intervention. It also found wide variations in practice and the use of the funding across the county. Primary schools in the districts of Canterbury and Swale, and the Secondary schools in the district of Swale, have the highest percentages of the school population in receipt of High Needs funding.
- 3.6 It highlighted that HNF needs to be specific to the provision required to meet the needs of individual pupils; however, this needs to be within the context of the best use of TAs guidance that highlights the benefits of group interventions rather than one to one support.
- 3.7 High Needs funding must also be used well in tandem with other resources such as LIFT resources, (Local Inclusion Forum Team) outreach support from Special schools and training in order to get the best outcomes for pupils with SEN. Training must focus on all staff if it is to raise capacity in schools to address autism, speech and language difficulties and behavioural needs.
- 3.8 Data analysis shows that 55% of funded pupils do not have an Education Health and Care Plan. At the same time the number of Statutory Assessment (SA) requests from schools for EHCPs has decreased in line with an increase in applications for High Needs funding. However, the number of requests being received from parents for an EHCP has increased over the same period. This does suggest more work is needed to ensure parents understand and feel confident about the support available through High Needs funding. It also indicates a wider range of parental concerns, such as transition to Secondary or Special school and access to some health therapies.
- 3.9 Schools want the system to be as fair and equitable as possible. The demand for High Needs top up funding must be more financially predictable and more closely linked to patterns of need. There is acceptance of the need for schools to be accountable for the use of this element of public funds, but the budget must continue to fund the top up required by schools to support the pupils with the most complex needs that may otherwise warrant statutory assessment.

4. A new system from April 2018

- 4.1 As a result of the review findings, the Local Authority is introducing changes that will ensure better targeting of High Needs funding to pupils with the most complex needs, particularly those who would otherwise warrant statutory assessment for an EHCP. The changes will provide clearer criteria so all schools better understand which pupils HNF is targeting. Guidance to schools will give greater emphasis to the 'assess, plan, do and review' cycle and be

more explicit about the evidence from them about how their normally available resource has been used. Schools will be expected to have fully utilised the District LIFT offer as part of the provision and have committed to relevant whole school training e.g. autism awareness.

- 4.2 The new system from 1 April 2018 will clarify resources available to schools and deliver an equitable and transparent allocation. It will introduce need specific top up funding arrangements, graduated to support pupils with the most severe and profound levels of need in mainstream schools. A personalised, bespoke level of top up will exceptionally be agreed in highly complex circumstances where the level of need evidences it is necessary.
- 4.3 Need specific (eg, ASD, social and emotional need) top up funding will improve equity and consistency of payments between schools for children with similar levels and types of need. It will also improve transparency of top up payments to schools which will aid with predictability for school budget purposes. This approach will enable top up funding to be set at a level that is affordable within the overall DSG budget available within the High Needs block. The value for each Need Specific Top Up will be calculated and published in early December, after the 1 December Schools' Funding Forum meeting, and these values will be regularly reviewed.
- 4.4 The review scope included process arrangements and identified a number of potential areas for improvements. As a result, a number of revisions will also be made to reduce the steps in the online application process and the LA will strengthen its capacity to monitor and review how top up funding is used by increasing the current number of Area SEN Provision Evaluation Officer posts from 4 to 8. This increased resource will cost an additional £250k.

5. Legal Implications

- 5.1 The LA's statutory duties for children and young people with SEN are set out in the Children and Families Act 2014. These duties include identifying children with SEN and ensuring that their needs are met. The LA is responsible for ensuring that the provision set out in an individual pupil's Education Health and Care Plan is delivered.

6. Equalities Implications

- 6.1 Children and young people with special educational needs are at greater risk of underachieving than their non-SEN peers. The SEND Strategy aims to ensure every vulnerable child can be identified at the right time, attend a good local school and achieve good progress in their learning and good outcomes at every age. It also aims to ensure they will not be disadvantaged by being excluded from school and they will not lose schooling through poor attendance.

7. Public Health Implications

- 7.1 Lead Officers for Health are partners in the delivery of the SEND Strategy, providing therapy and mental health services, specialist nursing and medical diagnoses, together with assessments for EHCPs. Provision of Health Visiting Services is a key aspect of ensuring better healthcare and earlier identification of young children with additional and sometimes complex learning needs.

8. Conclusion

- 8.1 High Needs funding for pupils in mainstream schools is delivering targeted resources to pupils who need significant additional support to make progress with their learning. Schools, regardless of size, with the most effective SEN practice understand the totality of resources available, can clearly identify their whole school response and the overall effectiveness of the interventions used. However, there are variations in the level and use of funding across the County and where it is not used to deliver evidenced based intervention, it is not used effectively. As a result pupil progress is less assured. The level of demand and forecast trajectory have increased to the point where it is unaffordable from the funding Kent receives. A new system is urgently needed to ensure resources are used more effectively to get the best outcomes for pupils and to manage the level of demand from mainstream schools. A new approach for HNF from April 2018 will introduce need specific top up funding, graduated to support pupils with the most severe and profound levels of need along with greater capacity to monitor its effective use.

Recommendations: The Cabinet Committee is asked to note the outcome of the review and endorse the recommendations to implement revisions to the current approach.

7. Background Documents

- 7.1 Children and Families Act 2014

<http://www.legislation.gov.uk/ukpga/2014/6/contents/enacted>

- 7.2 SEND Code of Practice:0-25

<https://www.gov.uk/government/publications/send-code-of-practice-0-to-25>

- 7.2 DfE, High Needs National Funding Formula and other Reforms Dec 2016,

<https://www.gov.uk/government/publications/high-needs-funding-arrangements-2017-to-2018/high-needs-funding-operational-guide-2017-to-2018>

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