

Meeting date: 09 July 2018
Report to: Solihull School Forum



Subject/report title: Funding for schools with exceptionally high levels of EHCPs
Report from: Steve Fenton Head of Education Services

Wards affected: ☒ All Wards

Settings affected: ☒ All Primary and secondary schools

Public/private report: Public

1. Purpose of Report

- 1.1 To consider problems with the current funding mechanism for schools with exceptionally high numbers of EHCPs , and to outline an appropriate response to better meet the needs of affected schools.

2. Decision(s) recommended

- 2.1 To comment on the proposal to extend the current funding mechanism for schools with exceptionally high numbers of EHCPs

3. What is the issue?

- 3.1 The DfE recognise that some schools may experience abnormally high levels of pupils with EHCPs, whereby the normal funding arrangements do not work adequately for these schools. . There may be some mainstream schools where the notional SEN budget does not adequately reflect the number or needs of SEN pupils in the school.
- 3.2 This may happen particularly where a school develops a good reputation for SEN and attracts many SEN pupils. The Local authority has flexibility under the new funding arrangements to take account of the impact on mainstream schools of exceptional levels of children with SEN and is permitted to make arrangements to ensure fair funding for such schools. Funding is from the High Needs Block. Under the NFF, a funding factor from the Schools Block is not permitted.

- 3.3 In Solihull the current mechanism ensures that every school has sufficient notional SEN budget to meet the cost of school commitments to pupils with EHCPs on roll. This mechanism calculates the difference between the notional SEN budget and the actual cost to the school of their required contribution. If this is negative, the mechanism tops up so the difference is zero.
- 3.4 Schools with unusually high numbers of EHCP pupils have made the point that the high numbers make an excessive demand on the notional SEN budget that has two unfair effects:
- (a) The notional SEN budget can be completely exhausted which means the school has to draw on other funds to meet statutory obligations.
 - (b) Even where the SEN budget is not exhausted it is unfair that schools with fewer EHCP pupils have considerable more notional SEN budget available to spend on other pupils compared to other schools.
- 3.5 A further issue has been raised recently, in respect of the deployment of new ARPs. The issue is that where a school has unusually high levels of EHCPs and where the school agrees to host an ARP, there is a significant increase in requirement for SENCO which is not recognised in the ARP or any other High Needs funding.
- 4. What options have been considered and what is the evidence telling us about them?**
- 4.1 I have examined this feedback and accept the current mechanism does not do enough to compensate schools with exceptional levels of EHCPs. Other considerations
- 4.2 The sector average of notional SEN budget after deduction school cost of EHCPs is 68% primary, 65% secondary.
- 4.3 The notional SEN budget increases from 2017-18 because of the national funding formula, however some NFF gaining schools face a limit on their gains, so I have scaled back the notional SEN budget in the same proportion.
- 4.4 A number of alternatives have been considered. For example the LA considers paying £6,000 in respect of pupils beyond a threshold. However modelling showed that funding would go to schools that had a considerable notional SEN budget remaining. In other words, some schools with high levels of SEND would receive this additional funding when in fact their profile, reflected in the notional SEN budget, would expect them to have above average levels.
- 4.5 I have also surveyed LAs across the Midlands, to research what range of options might be available.
- 4.6 The Shropshire approach was very interesting, relatively simple, and appeared to deal with similar issues as to those facing Solihull:
- 4.7 "In Shropshire we target additional high needs contingency funding to schools to ensure they have enough £6,000s to cover each of their EHCP pupils within their notional SEN budget and we also target additional HN contingency funding to ensure

they have at least 20% of their notional SEN budget remaining once they have contributed £6,000 towards each of their High Needs pupils. This additional 20% contingency was introduced a few years ago to ensure schools received funding for pupils who may not have an EHCP but still require some additional support. We calculate the HN contingency funding on a termly basis taking a snap shot of their EHCP pupils at May, October and February. As we have mirrored the NFF in our local funding formula for 2018-19, the factor values previously driving the notional SEN budget have increased significantly to the point where no school in Shropshire would trigger contingency funding if 18-19 notional SEN budget factors were used. Shropshire Schools Forum therefore agreed that we continue using the notional SEN budget factor values as in our 2017-18 local formula to calculate the HN contingency funding due to schools in 2018-19. This provides stability for schools and gives us 12 months to review the basis of the HN contingency for 2019-20”.

5. Reasons for recommending preferred option

- 5.1 Taking all this into account, the proposed solution is:
- 5.2 To modify the existing protection, whereby the LA tops up the notional SEN budget so that it cannot be in deficit – to extend this so that where a school has an exceptionally high number of EHCP pupils, then the LA will top-up the notional SEN budget so it is not less than 40% of the notional SEN budget after deducting the school cost of EHCPs. The adjustment would be calculated termly as the number of EHCPs can fluctuate during the year. Exceptionally high SEN is defined as greater than 1.5 times the sector average of all schools.
- 5.3 The cost would be £102,000 which is comparable to the 2017-18 level of protection. On current numbers as at May 2018 9 primary schools would receive the proposed protection funding.
- 5.4 There is a case for the percentage to be higher, almost no schools with average levels of SEN have less than 45% of their notional budget remaining, but this would increase the cost to £150,000 which is beyond current available funding.
- 5.5 I am also proposing to provide from the HNB a 50% funding enhancement to the funding a school receives within the normal AWPU for a SENCO. The rule would be a 50% enhancement to notional SENCO funding where school has high SEN (greater than 1.5x sector average) and an ARP.

6. Implications and Considerations

- 6.1 Delivery of the Council’s priorities:

How will the options/proposals in this report contribute to the delivery of Council Priorities (*select which priority/priorities and also specify which key programme/s*):

- ☐ Improve Health and Wellbeing -
- ☐ Managed Growth -
- ☐ Build Stronger Communities -

☐ Deliver Value -

6.2 Implications for children and young people, vulnerable groups and particular communities:

6.2.1 The proposals directly affect the ability of schools with exceptional levels of pupils with EHCPs to meet those additional needs.

6.3 Consultation and Scrutiny:

6.3.1 I have spent some time working with schools raising these issues, this report has been considered by both Finance Group and EDSSEND Groups. A presentation was made to the Headteacher Partnership meeting on 26 June 2018.

6.4 Financial implications:

6.4.1 The cost would be £102,000 which is comparable to the 2017-18 level of protection. On current numbers as at May 2018 9 primary schools would receive the proposed protection funding.

6.4.2 The SENCO enhancement would cost a further £23,000.

6.5 Legal implications:

6.5.1 The proposals meet the requirements of school funding regulations

6.6 Risk implications:

6.6.1 The LA needs to ensure schools have sufficient funding to meet their statutory requirements and is also developing further strategies to support school in being more inclusive.

6.7 Statutory Equality Duty:

6.7.1 Schools are required to meet their statutory duties in respect of providing for additional needs of pupils with an EHCP.

7. List of appendices referred to

7.1 Appendix A – Financial model of extending current protection.

8. Background papers used to compile this report

8.1 None

9. List of other relevant documents

9.1 None