

BRIEFING PAPER

SUBJECT: High Needs Block

DATE: 23rd January 2013

RECIPIENT: Schools Forum

THIS IS NOT A DECISION PAPER

SUMMARY:

1. This paper outlines the proposals for the High Needs Block including funding for Special schools, units in maintained schools and Pupil Referral Units (PRUs) from April 2013.
2. Funding for Special schools, units in maintained schools and PRUs will have two elements: nationally set base funding of £10,000 per place (£8,000 for PRUs), and top up funding for each pupil actually on roll. The top up funding will be based on a formula agreed with the commissioner of the place.
3. Local Authorities are being requested by the Department for Education (DfE) to rework, based on the 2012/13 budget, funding based on the new funding methodology: base budget and top up.

BACKGROUND and BRIEFING DETAILS:

4. The proposed High Needs Block is shown in Appendix A. This includes a transfer of £600,000 from the Early Years Block to fund the potential costs of the transfer of responsibilities for post 16 SEN from September 2013.

5. Notional SEN Budget

Mainstream schools will be responsible for the first **£6,000** (plus per pupil funding) of a pupil's educational support costs before additional allocations are made from the High Needs Block. This is in line with the DfE recommendation and their aim to provide consistency between authorities to improve the experience of pupils with SEN who transfer between areas.

6. The education element of Southampton's local offer for children and young people with SEN and Disabilities will be published in March to provide clarity on what should be supported from mainstream schools' notional SEN budget.

7. Pupils with Statements

From April, the Pupils with Statements budget will reimburse schools for both low and high incidence pupils where additional educational costs exceed £6,000. It is assumed that 12 hours of LSA time per week equate to the £6,000 cost:

e.g. 12 hours x 45.62 weeks x £10.98* = £6,011

* £10.98 equates to a Grade 6 LSA paid on scale point 19

Schools will be reimbursed for support of more than 12 hours per week, term time only at a rate of £10.98 per hour.

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8. High Needs funding formula

The Local Authority and Special Schools reps formed a working group in May 2012 to look at Special school, unit and PRU funding. Membership of the group comprises: the Headteachers of Great Oaks and Vermont Special Schools, the Pupil Referral Unit and Tremona Road Hospital School, Principal Educational Psychologist, SEND Inspector, Principal Officer for Prevention & Inclusion, CSL Finance Manager and Principal Accountant for Schools. The purpose of the group was to develop a new formula to be applied in 2013/14.

9. School place numbers

In September 2012 school place numbers increased by 16 at Springwell, five at Great Oaks and eight at Rosewood. In addition the five places at Cantell will transfer to an alternative provision to be identified from September 2013. The local authority has identified, based on current profile, the number of place numbers forecast at the five Special schools, five Special units and one Free school in the 2013/14 academic year, see table 1.

Table 1: Place numbers

School	Places April 2013	Places Sept 2013
Springwell School	80	96
Great Oaks School	145	145
The Cedar School	70	70
The Polygon School	50	50
Vermont School	28	28
Rosewood School	26	26
Tanners Brook Junior School	9	9
Tanners Brook Infant School	5	5
Weston Shore Infant School	5	5
Mason Moor Primary School	10	0
Redbridge Community School	7	7
Cantell Maths & Computing College	5	0
TBC	0	5
Total	440	447

10. Outreach funding

In addition to funding places, the High Needs block funding will fund outreach provision for Special Schools. In 2012/13 outreach funding totalled £616,593 and was distributed across four schools, see table 2.

Table 2: Outreach funding

School	Outreach
Springwell School	£293,134
Great Oaks School	£101,081
The Cedar School	£60,648
Vermont School	£161,729
Total	£616,593

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11. From April 2013 outreach funding will no longer be deployed directly to schools. The resource will be held centrally to commission specified services. Meetings are taking place with individual headteachers before agreeing allocations for next year.

12. Banded framework

From April 2013, Special schools and units will be funded on the basis of a flat £10,000 per place plus a per pupil top-up. This is a major change to the current system where Special schools and units have stability of funding per place. From next April, schools will only receive top-up funding for the actual numbers of pupils in their school. The DfE guidance recommends the use of a banded framework and the working group agreed that it makes sense to continue with Southampton's current framework rather than try and introduce a new one. The proposed framework has three **place types**:

- Band 1
- Band 2 (1.5 x Band 1)
- Band 3 (2 x Band 1)

13. The working group also agreed that funding should be based on the 2012-13 budget for each school plus new places, in order to avoid undue turbulence between schools.

14. Audit of pupils

In order to assess how much per-pupil-top-up is to be paid, each pupil must be assigned into one of the three Bands (Special unit pupils are all assumed to be in Band 1). The Special headteachers have undertaken an audit to do this, moderated by a Senior Educational Psychologist and SEND inspector.

15. New pupils will be assigned a place type by the Children and Young People's Development Service (CYPDS) Decision Panel, as part of the process of finalising the statement and agreeing provision. Each pupil's place type can be reviewed as part of the annual review to ensure that it is still relevant.

16. Post 16

From August 2013 special schools and units will be funded using separate formulae for pre-16 and post-16 high needs places. For pre-16, a school will receive £10,000 per high needs place. For post-16 places they will receive their share of the national post 16 formula plus £6,000 per place. This works out as slightly more, on average, than £10,000 per place.

17. Vacancy factor

Because Special schools and units will be partially funded on the basis of pupil numbers this will disadvantage schools that start with low numbers of pupils in September but build up to full complement during the academic year. As a response to this position it is proposed to introduce a vacancy factor which would increase a school's top-up funding to compensate for low numbers in the autumn term.

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18. Minimum Funding Guarantee

While there will not be a Minimum Funding Guarantee for Special school and units, there will be a requirement that the top-up element of the funding is set at such a level that, if all the places were filled and the pupils came from the maintaining authority, the school's budget would reduce by no more than 1.5%.

19. Pupil Referral Unit

The PRU will be receiving a delegated budget for the first time in 2013-14, funded from the High Needs Block and payments from schools. The level of budget they will need will include all services delegated to other schools including finance, payroll, HR and ICT. Funding has been reworked as follows in line with DfE regulations:

- The PRU will be funded for 160 places.
- Each place will attract a base level of funding of £8,000 from the High Needs Block.
- Top-up funding per pupil will be paid by the commissioner of the place (either the local authority or a school) on the basis of three place types – Band 1, 2 and 3.

20. It is proposed that top-up charges for placing pupils will be based on:

- Band 1 Primary placement (20 places at £100 per week)
- Band 2 Secondary placement (110 places at £135 per week)
- Band 3 Alternative Pathways placement (reduced to 30 places at £16,439 per year)

21. Although the local authority will be responsible for the costs of a pupil placed in an Alternative Pathways placement, it is proposed that schools will make a contribution towards the cost of a place. A paper will be brought to the February Forum to explain the charging mechanism for placing pupils at the PRU in more detail.

22. Payments

In April, the £10,000 per place will be paid to Special schools and units directly by the City Council. However schools will be responsible for ensuring that top-up payments are made by the **relevant local authority**.

23. Meetings are taking place with neighbouring authorities to explore the potential to agree a single process based on:

- A top-up payment made to the school by each Authority in April based on the forecast pupils in each school for the year.
- At the end of each term, an adjustment is made retrospectively for pupil movements in and out of schools based on the number of school days on roll (but assuming an end of summer term leaving date for pupils in year 11).

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24. Recommendations

Schools Forum are asked to note the following recommendations:

- A transfer of £600,000 will be made from the Early Years block to fund post 16 SEN and other potential pressures.
- Maintained schools will be responsible for the first £6,000 of additional educational need (plus per pupil funding) before allocations are made from the High Needs Block.
- Top-up funding for Special schools and units will be based on the 2012-13 budget for each school plus new places to avoid turbulence.
- Special schools will continue to be funded on the basis of the existing three place types.
- New pupils placed in Special schools and units will be assigned a place type by the Children and Young People's Development Service (CYPDS) Decision Panel, as part of the process of finalising the statement.
- Each pupil's type will be reviewed as part of the annual review of their statement of SEN.
- A vacancy factor will be applied for Special schools with traditionally low numbers in the autumn term and will be reviewed annually.
- Place funding will be paid annually by the City Council in April.
- Subject to the agreement of neighbouring authorities, top-up funding will be paid in April based on the forecast pupils in each school for the year amended at the end of each term for pupil movements.
- Pupils placed at the Pupil Referral Unit will be charged on the basis of three bands.
- The authority will undertake a benchmarking exercise of other authority Special School top-up rates before deciding if any changes should be made to the 2014/15 High Needs funding formula.

Appendices/Supporting Information:

Appendix 1 Provisional High Needs Block

Appendix 2 Proposed Special schools and units funding formula 2013-14

Further Information Available From:

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Appendix 1

Provisional High Needs Block

High Needs Block

DfE 2013/14 High Needs Block	£17,105,500
Transfer from Early Years Block	£600,000
Total High Needs Block	<hr/> £17,705,500
Special Schools	£6,855,800
Special Units	£446,900
Special Schools outreach	£616,600
Post 16 SEN	£918,400
Provision for pupils with SEN (including assigned resources)	£1,753,900
SEN support services	£826,188
Support for inclusion	£835,688
Fees for pupils at independent special schools & abroad	£2,405,700
Inter-authority recoupment	£232,500
Pupil Referral Units	£2,590,600
Education Out of School	£223,224
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Appendix 2

Proposed Special schools and units funding formula 2013-14

	Places	Per Place Funding @ £10,000	Band 1 Places	Band 2 Places	Band 3 Places	Top up per Band 1	Top up per Band 2	Top up per Band 3	Top up funding assuming 100% full	Increase/ (decrease on 12-13)
Special Schools										
Springwell School	89	£893,333	29	54	6	£7,877	£11,815	£15,753	£963,560	£348,760
Great Oaks School	145	£1,450,000	72	59	14	£5,538	£8,306	£11,075	£1,043,827	£48,682
The Cedar School	70	£700,000	11	32	27	£7,761	£11,642	£15,522	£877,002	£0
The Polygon School	50	£500,000	13	12	25	£6,602	£9,903	£13,204	£534,758	£0
Vermont School	28	£280,000	6	9	13	£8,671	£13,007	£17,342	£394,533	£41,554
	382	£3,823,333	131	166	85	£36,448	£54,672	£72,896	£3,813,680	£438,996
Maintained with Special Units										
Tanners Brook Junior School	9	£90,000	9			£4,011			£36,095	£0
Tanners Brook Infant School	5	£50,000	5			£6,460			£32,301	£0
Weston Shore Infant School	5	£50,000	5			£3,056			£15,282	£0
Mason Moor Primary School	4	£41,667	4			£0			£0	(£44,194)
Redbridge Community School	7	£70,000	7			£4,953			£34,673	£0
Cantell Maths and Computing College	2	£20,833	2			£0			£0	(£28,667)
New unit	3	£29,167	3			£0			£0	£29,167
	35	£351,667	35	0	0	£18,480	£0	£0	£118,351	(£43,694)
Maintained Total	418	£4,175,000	167	166	85	£54,929	£54,672	£72,896	£3,932,031	£395,302
Rosewood	26	£260,000	0	0	26	£7,761	£11,642	£15,522	£403,576	£82,826