

Notes on the National Fair Funding Conference – Manchester 22 May 2019

The Spring National Fair Funding Conference was held in Manchester on 22 May.

Opening presentation:

Developing and sustaining an (effective) local SEND and High Needs System-

This was the opening talk given by Ben Bryant, Director of ISOS Partnership, who have done a lot of commissioned work for the DfE on High Needs.

Ben's slides are available for information.

Key issues discussed:

ISOS have conducted work with stakeholders around sustainability in SEND and the need for LA s to be pro-active; Inclusive and reactive in High Needs.

Nationally, there is evidence of growing demand for High Needs places yet less in-house provision, leading to much more expensive NMSS / external placements.

It is estimated that there was a £287m funding gap nationally in High Needs in 2017 and LA s were now going into a DSG deficit position largely because of High Needs overspending (average level £3.4m with some in excess of £20m!). The national funding gap on HN is Est at £1.1bn – £1.6bn deficit gap by 2021 !!

What impedes LA s from managing HN expenditure? – A combination of factors – Ability to make changes is limited as funding is already committed to current service provision. Difficult to shift placement emphasis. Once a commitment to high cost provision is made, children remain there for some years, so inability to change costs. Also, risks from parental choice and increasing tribunal cases challenging LA decisions. Increasing cases are being lost nationally.

Impact of the High Needs reforms has seen a huge increase in demand for services through EHCPs. Also, the increase in the age range 19-25 and growing numbers of Young People staying on in education.

Changing and increasingly complex needs are being identified. Changes in the curriculum and accountability are adding to cost.

It is now estimated that extra funding by Govt would never be enough to meet the growing needs for specialist High Needs provision. Given funding restrictions, it is

very difficult for LA s to develop new provision in advance of need and many LA s are already full to capacity in their own provision.

Possible considerations:

Making stakeholder views valued. Building ownership of HN issues. Broadening participation in High Needs. Closer working partnerships with stakeholders e.g Health - encouraging effective practice / sharing needs/issues locally for greater understanding. Supporting young people's needs and preparation for adulthood. Discuss with Young People their needs. Parent/Carer forum groups useful. Give parents a role to play – greater involvement in developing strategy. Building inclusive capacity/Joint commissioning/Developing responsive, flexible and effective local provision.

Having a clear sense of the High Needs offer of support at different levels is important e.g Autism; Mental Health etc Ensure key decision makers are included. Developing local offer clearly is important – explain things easily; roles; responsibilities; pathways. Improve quality of EHCPs to avoid issues later.

Try to build more in-house capacity. Lay out expectations of schools in HN provision. Need for consistency of funding and treatment across schools. Targeting inclusive support. Having a range of services to support schools when they reach a tipping point.

Increase resourced provision to relieve pressures on mainstream schools and having availability of support for all needs. Have discussions with colleges; employers with regard to work experience for HN students making for an inclusive diverse workforce. Finance should be part of any core strategy looking at practice; trends and strategies.

6 Seminars/workshops held (see slides)

- What do we know about (effective) local systems of alternative provision and support for inclusion – Ben Bryant (ISOS Partnership)
- Dedicated Schools Grant Recovery Plan – DfE
- Early Years Funding Workshop – Reena Kholi - Manchester City Council
- Schools Forum history and context – Jonathan Lewis - Cambridgeshire & Peterborough
- Defusing the High Needs Funding Timebomb – Julie Cordiner CIPFA Accountant
- Affordable Schools – facing the financial challenges – Andrew Minall Hampshire County Council

Seminars I attended:

Dedicated Schools Grant Recovery Plan wef 2018/19 :

New formal requirement of LA s to produce a recovery plan to the DfE if they overspend central DSG by more than 1% of their total DSG (doesn't include schools balances). Schools Forum to be informed and consulted on the plans.

Template to complete - with reasons for overspending and details of pressures along with a 3-year plan to come out of deficit. Projects to be identified to reduce spending. Plans will show budget pressures and reviews of services

Plans/templates completed and signed off by Head of Finance by 30.6.19 and will be considered by the DfE July/Aug and agreed by September. Plans reviewed periodically.

DfE may share plans/best practice with LA s arising from the process.

Other DfE Issues mentioned:

Spending Review due in the Autumn - may be delayed due to Brexit – 19/20 funding may be rolled over into 2020/21? Unpredictable situation.

Depts gathering their funding requests to the Treasury. Ministers have publicly recognised High Needs pressures, in particular Post 16 and 19-25-year-old rising costs.

*Call to Evidence set up on High Needs – particularly around mainstream schools. Closes 1 July 2019. Could direct future funding changes? Stakeholders urged to respond to the questions.

Early Years Funding Workshop – Manchester City Council

Discussions around the EY Funding regime particularly around using the headcount/census data each January for the 2-Year-Old Offer which is not considered the best time for data. Jan census does not pick up the high Spring intake of 2 Year olds. The 2-year-old attendance differs from 3-4 year olds and this causes problems with funding to LA s.

LA s not pleased at the way the DfE clawback of funding is made for retrospective changes in numbers between census dates year on year. Difficult to calculate, though not impossible. Doesn't help with funding plans. DfE not likely to change this methodology any time soon!!

Discussion around the Maintained Nursery Schools Transitional funding (£60m) extended to Aug 2020. Study of MNS shows a big diversity of provision; size; and cost per pupil. No guarantees of ongoing funding beyond 2020. Many LA s are awaiting the Spending Review to see what happens. DfE aware there is wide political support for MNS s. Some LA s have merged their MNSs into Nursery

classes or co located them with Primary Schools; some have closed; some have federated. No further updates so far.

Defusing the High Needs Timebomb –

A very interesting and informative workshop by a former Cipfa Accountant and Children's Services Director, now an Education Funding Specialist – Julie Cordiner (some of her papers are online and available for access).

Funding issues on High Needs caused by a number of reasons:

Issues with the HN formula allocations-

- Funding reforms on High Needs – unfair distributions to start with - New National Formula is not responsive of changing needs. The Historic element of the HN formula is fixed in cash terms.
- The Population Factor is not a good representation, and not responsive enough to the size of the population of children with complex high needs relative to real population change. Funding is not therefore allocated according to need! Children who are in a placement are there for a long time.
- Formula takes little account of changes due to inflation on place costs; deprivation factors; Increasing external fees; awareness of changing diagnosis of need; Informed parents seeking choices; growing legal challenges etc Not sensitive to these changes.
- Need for more sensitivity to increases in the SEND population with more complex needs
- Poor policy decisions – the effect of austerity on LA s not considered; The disincentives to inclusion; The DfE promoting Special Free Schools offering Capital funding, but little focus on early intervention.
- Nationally - EHCPs up 35% in 5 years / 24% more pupils in Special Schools /Colleges / 67% increase in Permanent Exclusions.
- Growing numbers of LA s seeking support from Schools Block funding up to or above 0.5% of Schools Block funding. – 40% dis-applications turned down by the DfE adding further pressures on funding.

Some key questions:

What will come out of the spending review?

Will it recognise the transfers of funding from Schools to the High Needs Block?

Will there be greater accountability of schools around the number of permanent exclusions around outcomes? Performance tables?

What will be the impact of new Special Free Schools ?

Some schools are threatening to close their Resourced Provision/SEN Units due to funding. This will reduce infrastructure necessary to relieve pressure!

There has been a Cross-Party select committee considering High Needs issues looking at the impact of the Reforms; the trends in EHCP s; Parental views navigating the system; School views on the impact of SEND on budgets. A look at tribunals (87% won by the appellants). They have been looking at the off-rolling and exclusion of pupils with SEND. They have been looking at health issues around pupils with SEND. The LA role and conflict of interest as Provider and decision maker for placements.

It's felt that LA should have levers to funding to be able more freely to incentivise to get greater inclusion for SEND pupils.

The DfE has 3 aims:

Greater LA collaboration to secure greater efficiency in delivery of HN services.

A Strategic Plan for HN provision

Better Value for Money from Special schools and other institutions

(however, no efficiency measures of VFM for special schools!)

Considerations

SEND needs strong leadership – clear vision of the service and culture, managing expectations; encouragement; transparency

Understanding of thresholds

Good funding arrangements

Good pattern of provision and transition

There is some conflict between professionals as to diagnoses and this feeds into parental choice. Parents must be kept open minded throughout the placement process.

Inclusion must be incentivised internally to demonstrate the in-house offer is as good as anything available externally, with good outcomes.

Schools must be challenged to ensure they are using their notional HN funding to best effect.

There must be a good level of support for inclusion/infrastructure

Consider having more Resourced 'middle level' units. Review mix of provision.

Have walkthrough case sessions with professionals

Finance/SEND - Look at trends; data; and forecasts; Look at performance.

Challenge schools on exclusions – commission earlier interventions

Engage with schools to achieve cost effective support

Have wide understanding of the High Needs funding system

Ensure school staff and governors are trained to understand the range of pupils needs and the support required to make progress.

Think differently about budget uses – target funding weighted according to needs

Get Health on board.

Examine the notional funding for HN in the formula

Have negotiated top-ups. Consider range of school costs - Fixed / Marginal / Stepped – more streamlined funding

Identify why or how waste/inefficiency may occur / What can be done to improve this? / What are the risks to spending? / Expected impact of making a change to funding.

Recommended reading:

EEF Toolkit

Sutton Trust

SEND Gateway – reviewing leadership in SEND

DfE research 2017

Kevin McBlain

May 2019

