**INFORMATION AND CONSULTATION ON FUNDING HIGH NEEDS PROVISION 2016/17 FINANCIAL YEAR**

**1. Introduction**

1.1 Significant changes to the way ‘High Needs’ provision is funded were required to be implemented by the Department for Education (DfE) for the 2013/14 financial year. These changes affected activities funded by the High Needs Block, which is a specific block within the Dedicated Schools Grant (the DSG) that amounts to about 10% of the overall DSG resources available to the Local Authority:

* Children with Statements in all mainstream settings
* Special Schools, Academies and Free Schools
* Resourced Units attached to mainstream schools, academies and Free Schools
* Pupil Referral Units (PRUs)
* Behaviour Centres
* Behaviour & Attendance Collaboratives (the BACS)
* Provision for students aged post 16 in Further Education (FE) settings
* Services for high needs children that are managed centrally by the Local Authority
* Education in Hospital provision
* Children placed in out of authority and non-maintained settings

1.2 This new funding approach is based on the financial definition of a ‘High Needs’ student being one whose education (incorporating all additional support) costs more than £10,000 per annum. This threshold lays the foundation of the national ‘Place Plus’ framework and the basis of the definition of the financial responsibility that maintained schools, academies and other settings have for meeting the needs of children from their delegated budgets.

1.3 Bradford Local Authority’s response to these changes has been as follows:

* Our consultation document, published in autumn term 2012, outlined the major changes brought about by the new system and explained the proposals for our approach to High Needs funding for the 2013/14 financial year. Our approach was agreed by the Schools Forum in January 2013. At the centre of our approach is the application of a uniform banding model containing 7 ‘ranges’ of need, with 7 bands of funding (referred to in this document as the ‘Ranges Model’).

* In March 2013, the Schools Forum agreed a series of reviews, 8 of which related to items from the High Needs Block. Our consultation document, published in autumn 2013, proposed mostly incremental changes and resolved some outstanding issues, including:
	+ The funding of high needs provisions via our full Ranges Model / Place-Plus Framework, including ARCs, Early Years Children’s Centre Plus, Primary Behaviour Centres and the PRUs
	+ The continuation of the cash budget protection factor, which helps guard settings against unexpected monthly budget fluctuations
	+ Improvements in the processes for the identification and moderation of pupil-need, so that information about Ranges is more accessible and so that the system is more responsive to in year changes
	+ Additional setting-based factors for the PRUs (split sites, rates and churn factors)
	+ An increase in the value of the SEN Funding Floor for students with statements in mainstream schools

The Schools Forum agreed our 2014/15 funding model in January 2014.

* In March 2014, the Schools Forum again agreed a number of reviews (outlined in a DSG Reviews Matrix) relating to the High Needs Block, which completed to inform decisions for the current 2015/16 financial year. The Schools Forum agreed our 2015/16 funding model in January 2015, which included only incremental changes on 2014/15, some of which were changes directed by the DfE:
	+ Following the DfE’s direction - the value of an alternative provision place was increased from £8,000 to £10,000, with a corresponding decrease of £2,000 per place made to each setting’s Plus element, so that this change is impact neutral.
	+ Following the DfE’s direction - Post 16 places were changed to be funded on the basis of the location of the setting rather than who commissions the place, bringing this is line with pre-16.
	+ Early Years Children’s Centre Pus - the total planned DSG budget allocated to this provision was adjusted to remove the previous double funding within the £6,000 place-led element per FTE place.
	+ Alternative Provision – a change to calculate the Plus element for all students without a statement on a formula of 50% Range 4D and 50% Range 5.
	+ SEN Funding Floor Primary schools and academies – the value of the SEN Funding Floor for primary schools and academies was increased. The SEN Funding Floor is a protection mechanism that ensures that all schools / academies receive a minimum amount of SEN funding.
	+ Cash Budget Protection Factor – the cash budget protection factor for special schools and DSPs was continued, but with the eligibility for this factor based on criteria, so that protection is not continued in settings that are more permanently reducing their pupil numbers.
	+ Exceptional circumstances / financial difficulties –a more formal Exceptional Circumstances / Financial Difficulty mechanism within the High Needs Funding Model was adopted, in line with that of mainstream provision.
	+ The Authority’s Control of Excess Surplus Balances mechanism was adjusted to provide a greater amount of flexibility for stand-alone maintained high needs providers in managing the possible negative impact of in year changes in pupil population.
* In July 2014, following consultation, the Schools Forum agreed an initial step towards the funding of post 16 high needs students in Further Education (FE) settings on a formula-basis for the 2014/15 academic year. A further step towards a funding formula for FE settings has been made for the 2015/16 academic year, which is outlined later in this paper.
* During 2015, the Schools Forum has received regular reports of the development of the District’s ASD strategy. Discussions on this are continuing.

1.4 As indicated in consultation documents in previous years, and has been outlined recently in national Press, some significant changes are on the horizon for the funding of education and schools. We expect, possibly from April 2017, the introduction of a national funding formula. We do not know the detail of this formula yet, or the timescale for implementation, or what this will mean for the funding of high needs. We do not know, at this time, whether a national formula will establish a consistent national needs-assessment and banding framework, which can be used for funding individual settings, or whether it will stop short of this. We anticipate further announcements from the DfE following the autumn Spending Review in November. A national funding formula however, is likely to have significant consequences for all aspects of local education and school funding and this is currently clearly on the radar of the Schools Forum and its working groups. The Schools Forum has a specific SEN Reference Group in place, made up of representatives across the high needs sector in Bradford. This group has begun to discuss the possible implications and risks associated with funding changes and other key matters, including the sufficiency of places.

1.5 The DfE has announced that 2016/17 is a ‘stand-still’ year and no major technical changes are being made to the funding framework in so far as this affects high needs providers. By stand still:

* DSG per pupil rates of funding (Schools Block and Early Years Block) are expected to remain at 2015/16 levels (cash flat). The Schools Block rate has been confirmed at cash flat.
* The DfE has said in its guidance that authorities cannot claim additional funding for additional high needs places and that increases in High Needs Block funding for demographic growth are unlikely i.e. Bradford will not receive any further HNB funding on 2015/16 levels.
* The Minimum Funding Guarantee, including for special school funding, is set again at minus 1.5%.

1.6 No change means that we continue to have complete flexibility in how we define and fund levels of need. It is the Authority’s view that our current Place-Plus funding system is still robust and fit for purpose. As a result, we propose to make only minor adjustments to the structure of our funding approach. These proposals are explained in paragraph 6.

1.7 The challenging aspect of the 2016/17 funding position will be managing the additional financial pressure brought into the DSG as a result of needing to fund additional high needs places from a cash flat funding position. This will dominate the Schools Forum’s discussions on the 2016/17 DSG allocation. This may (is likely) to require a reduction in the values of funding rates across all 3 DSG Blocks, including a reduction in the top up ‘Plus’ rates for high needs providers. Providers are encouraged to keep track of the School Forum’s discussion over the autumn term. The Forum will make its final recommendations at its meeting on 6 January 2016. The Authority has met with the District Achievement Partnership to further discuss, where reductions to Plus rates are needed, how these reductions could be taken i.e. whether all rates in all 7 Ranges are adjusted or whether some form of sliding-scale approach is applied.

1.8 The deadline for responses to this consultation is **Monday 30 November 2015**. Please address all questions and responses to Andrew Redding 01274 432678 andrew.redding@bradford.gov.uk. A response form is included at Appendix 2.

**2. High Needs Block Rates Comparisons, Cost Pressures (and Sustainability)**

2.1 The values of formula factors quoted in this document e.g. the values of ‘Plus’ funding by Range shown in Appendix 1, are indicative only for 2016/17. In particular, these values will be subject to the School Forum’s management of costs pressures within the DSG.

2.2 The Authority’s benchmarking of Top up (Plus element) rates against other authorities shows that our 2015/16 rates can be said, at the very least, to be comparable for both SEN and Alternative Provisions. Accepting the limitations of the data taken from Section 251 Planned Budget returns, and that this makes no reference to differences in levels of need between authorities or in how provision is delivered or the nature of PRU provision, this data indicates that our top up rates per place (this is the total of funding allocated in addition to the nationally set place-element) compare as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Bradford** | **National Median** | **Statistical Neighbour Median**  |
| SEN Places | £11,396 | £10,460 | £10,713 |
| Alternative Provision Places – All our PRUs \* | £9,573 | £7,514 | £8,586  |
| Alternative Provisions Places – our turn-around PRUs only | x3 settings: £7,438, £7,875 and £9,795 | £7,514 | £6,416 |

\* we have PRUs that act more like special schools, so we would expect their funding rates to be higher, assuming that the PRUs in other authorities are only for turn-around provision.

2.3 The High Needs Block continues to be under significant financial pressure; overspending in 2015/16 by £4.2m (9%) against the notional DSG budget allocated by the DfE. This is largely the result of demographic stresses, which will continue for a number of years. This overspending is met currently through contributions from the Schools and Early Years Blocks within the DSG. This is a long term pressure. The Local Authority, with the SEN Reference Group and the Schools Forum is reviewing this position, from the perspectives of both financial pressure and the sufficiency of places. The longer-term pressure must be viewed in the context of the impact of a national funding formula in the future. Our view of this will be shaped as further details of the national formula are announced.

2.4 As outlined in paragraph 5, the Authority’s indicative 2016/17 DSG planned budget currently assumes the need for the following:

* For individual settings, the greater of either actual occupancy at October 2015 or the 2015/16 planned places total, with some adjustments to individual settings for known additional changes.
* Further provision, not yet allocated to individual settings, for a further 30 places for the full 2016/17 financial year and a further 20 more places at September 2016. These places would be available to allocate across different provisions, though the Authority’s forecast suggests that these additional places will be needed in special school provision.
* An adjustment (reduction) to the number of secondary-aged alternative provision places in Bradford-located settings, to take account of the increased number of placements in independent schools.

2.5 Planning on this basis, indicatively, increases the cost of high needs provision by £3.0m on top of the position in this current financial year i.e. the overspending in 2016/17 increases from £4.2m to £7.2m.

2.6 The Authority will continue to affirm places forecasts over the autumn term and will talk to providers, prior to agreeing the DSG’s provision for high needs places with the Schools Forum for 2016/17 on 6 January 2016. There is some work that still needs to be done here, including in confirming the forecasted need for places in the Further Education Sector.

2.7 In the light of *an indicative* £7.2m total pressure, the Authority is currently considering, with the SEN Reference Group and the Schools Forum, a range of possible cost saving measures within the High Needs Block.

**3. Reminder of the Key Characteristics of the ‘Place-Plus’ Framework, updated for 2016/17**

3.1 Under ‘Place-Plus’, delegated budgets in 2016/17 will be constructed in 2 parts:

The Place Element - the value of the ‘Place’ element is set at

* £10,000 per place for specialist SEN settings (pre and post 16)
* £10,000 per pre 16 place and £11,165 per post 16 place for resourced provisions attached to mainstream settings
* £10,000 per place for specialist Alternative Provision settings (including Pupil Referral Units).

These values are set nationally by the DfE. The number of places per setting will be set with the Local Authority before the start of the 2016/17 financial year.

The £10,000 / £11,165 values are made up of:

* a basic £4,000 (for £10,000), £5,165 (for £11,165), which is the funding that all pupils attract within formula funding,
* an additional £6,000 for additional needs, which in the mainstream primary and secondary funding formula is allocated within already delegated budgets, calculated on measures of additional need such as Free School Meals, IDACI and low attainment.

The Plus Element – the top up, above the value of the Place element, which is allocated on an individual pupil basis. This will be calculated on an assessment of the additional needs of individual pupils (we use our 7 Ranges Model – see Appendix 1) and allocations will be re-calculated, on a monthly basis, to take account of the movement of children. The Plus element is the only vehicle through which differences in costs associated with settings (rather than pupils) can also be recognised e.g. split sites, smaller settings. It is for local authorities, in consultation with their providers, to set the values of their Plus elements. Plus elements will be paid to settings by the commissioning authority, which in most instances is the Local Authority. For Further Education settings for the 2015/16 academic year, Bradford has implemented the formula already agreed with providers, as outlined paragraph 6, which represents a further step towards a formula Ranges based approach to the calculation of Plus funding.

3.2 Other key characteristics of ‘Place-Plus’ are:

* For academies and other non-maintained providers, including Further Education settings, the Place element will be allocated directly by the Education Funding Agency, rather than by the Local Authority.
* Specific stand-alone maintained high needs providers i.e. Special schools and PRUs, are still not able to access de-delegated or centrally managed funds within the DSG in the way that they did prior to 1 April 2013. This means that, in areas such as maternity cover for employees and trade union facilities time, settings must either purchase services, where possible, from the Local Authority, or make their own arrangements, with the cost falling to their delegated budgets.
* A basic Minimum Funding Guarantee is still required in 2016/17 for special schools, to protect an individual school’s Plus allocation against reductions of more than 1.5% per pupil. This MFG is not a requirement in other phases e.g. alternative provision or resourced units.
* Local authorities are permitted to continue to separately fund additional outreach and support services that may be managed centrally or may be devolved to providers under service level agreements. It has been specifically recognised by the DfE that this sort of separate approach may be required to provide effective support services for children aged 0-19 with low incidence sensory impaired requiring high levels of specialist support in mainstream settings.
* Place-Plus contains sufficient flexibility for local authorities to continue current strategies and to ensure that individual settings do not face unmanageable budget pressures. The new system does not require per se an adjustment to overall levels of funding for specific types of provision. It is still for the Local Authority, with the Schools Forum, to determine this.

**4. Reminder of our funding approach in this current financial year**

4.1 A helpful way to outline the basics of our approach is to explain the funding model for Special schools, as this has laid the foundations of the funding of all high needs provision.

Identification and Moderation of Pupil Need

4.2 As the majority of placements are commissioned by the Local Authority, the process for placing children into the 7 Ranges framework is led by the Local Authority, using the primary need data that is held by the Authority and the descriptors of need that have been agreed by school colleagues and applied for the funding of Special schools for a number of years.

4.3 The Local Authority reviews existing pupil populations and discusses the outcomes of this with each setting. Assessment places are funded at Range 4D.

4.4 The processes for managing in year changes, and for the placement of pupils newly statemented, are also led by the Local Authority. The Authority tracks the movement of children between settings and re-calculates funding on a monthly basis. SEN Services provides to each setting a list of pupils on roll and their funding range by the 5th day of each month. Any discrepancies in that month’s data are resolved at this point, before the 10th of the month deadline. Newly statemented children are placed into one of the 7 Ranges by the Authority using primary need data. Children initially placed at Range 4D are re-categorised following assessment and settings are notified of this. Settings are also notified of the proposed funding range of a child at the point of consultation on placement. Schools are able to refer to the monthly funding statements to check changes and the funding position of newly admitted pupils

4.5 Adjustments to reflect changes in the needs of individual children, where an issue has been raised by a setting, are referred to the SEN Strategy Manager / Assessment Manager. If agreement is not reached, the SEN Panel is asked to make a final decision. Where changes are agreed with the Authority, funding is updated from the next applicable month.

Funding Pupil-Based Need – the 7 Ranges Model

4.6 The agreed 7 Ranges Model, shown at Appendix 1, is used to assign pupils into categories of need for funding purposes. Each range has an applicable level of funding, and every pupil assigned to a range is allocated the set value of funding, regardless of setting. This model has been applied in the same way to both pre and post 16 students.

4.7 The Local Authority’s intention has been to establish a single uniform framework for calculating ‘Plus’ funding. The Authority’s expectation is that this framework will categorise the vast majority of pupils and will thus ensure consistency in the approach to the funding of high needs in mainstream and specialist settings. It is accepted that there will be a small number of children or young people that will sit outside the Ranges framework; most of whom will be placed in specialist independent provisions.

4.8 The values of funding per pupil set for each range in 2015/16 are:

|  |  |
| --- | --- |
| **Range** | **Plus Funding (annual value)** |
| Range 1 | **£0** |
| Range 2 | **£0** |
| Range 3 | **£0** |
| Range 4A | **£985** |
| Range 4B | **£3,105** |
| Range 4C | **£4,758** |
| Range 4D | **£7,411** |
| Range 5 | **£10,806** |
| Range 6 | **£14,398** |
| Range 7 | **£23,658** |

4.9 For example then, for a child assessed at Range 7 in a Special school or academy receives £10,000 Place funding and an additional £23,658 Plus funding; a total of £33,658 for a full year. Where a child is placed at a setting during the year, the setting receives the Plus value for the proportion of the year the pupil is on roll.

Funding Setting-Based Need

4.10 The following setting based needs factors are included in the calculation of Plus funding in 2015/16. These are allocated in addition to the values of pupil-based need funding shown in the table above.

* New Delegation Costs – an additional amount per pupil to reflect that stand alone specialist settings under Place Plus cannot access de-delegated and centrally managed services and this may create additional budget pressure - set at a flat £364 per pupil. So a setting with 100 pupils receives 100 x £364 = £36,400 additional funding.
* Small Setting Protection – an additional sum, for stand-alone settings with fewer than 75 places, to ensure a minimum level of funding for fixed costs. The formula in 2015/16 is:

 A (75 x £10,000 x 20%)

 B (setting’s place funding x 20%)

 = top up to the value of A where B is less than A

* Split Sites – an additional agreed sum to replicate 2014/15 values for maintained schools that continue to operate across split sites (£162,850 for a full year allocation).
* Post 16 Places – an additional sum per Post 16 place, to continue the additional £1,165 per Post 16 place following the directed reduction from £11,165 to £10,000 place value within the national funding model from August 2014. This ensures that special schools with post 16 places do not lose out from the technical simplification. This is a factor specific only to special schools.
* Minimum Funding Guarantee - the DfE set a condition that, in 2015/16, the level of ‘Plus’ funding should be such that, if all the high needs pupils in a setting are placed by the Local Authority, the setting’s total funding for 2015/16 will not reduce by more than 1.5% on 2014/15. This is a pupil-driven protection and takes account of the income received by the setting from other local authorities for pupils placed by them.
* 2014/15 Budget Protection – an additional total cash budget protection, for eligible settings only, which ensures that at no point during 2015/16 will the total ‘Place Plus’ calculated budget for an individual setting be more than 1.5% lower than the 2014/15 total level of funding (taking account of the income received for placements by other local authorities).

In Year Re-Calculation

4.11 The value of Plus funding is re-determined on a monthly basis for the movement of children. This re-calculation is based on the position recorded at the 10th of each month. Where a child is admitted after the 10th, funding begins from the next month.

4.12 For any errors in the data for a single month, or where the position has been estimated due to the most up to date data not being available (at September, picking up all changes for the new academic year), retrospective adjustments are made in the subsequent month’s calculation.

4.13 Funding for August repeats the position recorded for July.

4.14 A ready reckoner is available, which helps settings predict the impact on funding of movements in pupil numbers / ranges on a monthly basis.

The Application of this Approach for the funding of other High Needs Providers

4.15 The approach outlined in paragraphs 4.2 to 4.14 is used to calculate allocations for SEN Resourced Provisions attached to mainstream primary and secondary settings, with the following differences:

* Designated Specialist Provision (DSPs):
	+ Of the setting based need factors listed in paragraph 4.10, only the Minimum Funding Guarantee and the 2014/15 budget protection factors are applied. The other factors are not applied, because DSPs are not stand alone units and because Post 16 places continue to be funded at the original value of £11,165 within the national model.
* Additional Resourced Centres (ARCs – support for hearing and visually impaired pupils):
	+ The funding model is applied to ARCs in the same way as for the DSPs above, with four differences. Firstly, all children placed in the ARCs are funded at Range 5. Secondly, as ARC provision is managed by the Local Authority, the monthly calculated ‘Plus’ element is retained by the Authority, plus the settings pay back to the Authority £6,000 of the £10,000 for each funded place on a full year basis. Thirdly, the New Delegated Costs factor is applied, as the Authority cannot access the de-delegated arrangements that resources provisions attached to maintained schools can. Fourthly, the 2014/15 Budget Protection Factor is not applied, to enable the repayment of place-led funding.

4.16 The approach outlined in paragraphs 4.2 to 4.14 is used to calculate allocations for placements in Pupil Referral Units, with the following differences:

* The value of the Place element has now been set, by the DfE, at £10,000, but previously was set at £8,000. As a consequence, the Small Setting Protection factor is calculated on the £8,000 per place value and an additional setting factor is included, which removes the £2,000 additional funding per place, so that the impact of the DfE’s directed change to £10,000 is neutral. However, this adjustment is not applied to Primary PRU, to recognise that, although a PRU in name, this setting acts as a special school and has a similar cost structure.
* The Place element for the District PRU has been added to the Plus element and allocated flexibly on a monthly basis following the actual placement of pupils.
* For Central PRU, recognising the short term intensive nature of placements, rather than following the moderation processes, which are more suited to determining needs over the longer term, we have used a ‘formulaic’ basis to placing pupils into the Ranges model; placing 50% of pupils on roll in Range 4D and 50% in Range 5 on a monthly basis.
* This method is extended to calculate the Plus element for all non-statemented students in other PRUs settings. These students are funded on a formula of 50% Range 4D and 50% Range 5.
* Of the setting based need factors listed in paragraph 4.10, only the New Delegation Costs and Small Setting Protection are employed. A separate (different) split site factor has been used. Please see below.
* The following additional setting based need factors are included in the funding model for the PRUs:
	+ A split sites factor, which recognises where provision is delivered across sites that are geographically separated. For qualifying settings, we have doubled the value of the small setting protection, to recognise the duplication in running costs of a separate site (s).
	+ A ‘Churn’ factor, for settings that delivery short term provision, to recognise additional pressures that relate to the continuous movement of children. For qualifying settings, we calculate funding on a monthly basis as follows: the mobility variable (taken from the secondary mainstream formula) x5 (this is a standard weighting for high needs provision) x number of pupils on roll.
	+ A ‘Rates’ factor, for all settings. As special schools do not pay rates, our basic funding model does not include any provision for the cost of rates. However, PRUs are liable for rates charges.

4.17 The approach outlined in paragraphs 4.2 to 4.14 has been used to calculate allocations for placements in the Primary Behaviour Centres, with the following differences:

* The value of the Place element has now been set, by the DfE, at £10,000, but previously was set at £8,000. As a consequence, an additional setting factor is included, which removes the £2,000 additional funding per place, so that the impact of the DfE’s directed change to £10,000 is neutral. This adjustment is not applied to the 5 SEN places at the Phoenix Centre.
* For SEN placements (at Phoenix Centre), pupil need is identified and moderated as outlined in paragraph 4.2. For all other behaviour placements, recognising the short term intensive nature of provision for children that do not necessarily have Statements, the same formulaic approach as used for the Central PRU is employed; 50% of pupils funded at Range 4D and 50% of pupils funded at Range 5 on a monthly basis.
* Like other resourced provisions, the Behaviour Centres are not stand alone units. As such, it is not applicable to apply all the setting-need based factors that are included within the special school and the PRU funding models. The only setting need based factors that have been included within the calculation of Plus funding for the Centres in 2015/16 are the Churn factor (as per Central PRU above and calculated on the same basis), and the 2014/15 Budget Protection factor (which is only in place for the period of primary behaviour support review).

4.18 An interim funding model is being used in 2015/16 for the funding of Early Years Children’s Centre Plus provision, as a review of this provision takes shape. This interim model applies the established principles of Place-Plus, setting the number of places on expected occupancy, funding all places at Range 4D, and including an additional allocation in response to estimated setting-based costs. The model will continue to be developed as the review of this provision takes shape.

4.19 A separate process has been followed to calculate allocations for placements in Post 16 Further Education Settings. A new approach is being implemented for the 2015/16 academic year, based on Place-Plus principles and the 7 Ranges model. This is further explained in paragraph 6.

4.20 The funding for Education in Hospital in 2015/16 is allocated to local authorities outside of the DSG, based on a national formula, with the requirement that local authorities continue the same amount per place funding as in 2014/15 (which for Bradford is £18,000 per place). As such, the Place-Plus framework is not fully applicable. This is a pragmatic, short term funding approach, in place until a longer term solution can be developed.

4.21 The new Place-Plus framework for the funding of children with SEN in mainstream Primary and Secondary schools / academies mainstream has been applied in 2015/16 as follows. This approach has not been significantly different from our approach prior to 1 April 2013.

* The vast majority of funding, which supports the costs of children at School Action, School Action Plus and with Statements, is allocated to schools / academies through the SEN funding formulae – calculated on low prior attainment, FSM and IDACI. This funding is allocated to schools / academies within their overall funding allocations at the start of the financial year. This is a separately identified amount on budget statements. The expectation then is that schools / academies will meet the vast majority of the costs of support for children with additional needs from these resources.
* For children with Statements, a threshold has been established, at a value of £6,000. For all children with Statements, the first £6,000 is allocated within the SEN formulae and the school / academy meets this proportion from their identified funding allocation.

* For Statements with a value greater than £6,000, the balance between the full cost of the Statement (calculated using the established 7 Ranges Model) and the £6,000 threshold is allocated by the Local Authority as a separate individual amount, re-calculated on a monthly basis for the movement of pupils.
* A separate SEN Floor ensures that all mainstream settings receive a minimum amount of SEN formula funding, compared against the value of Statements of children at the school / academy. In effect, the Floor provides a top up for schools / academies with higher numbers of individual Statements at a value of greater than £6,000 that have lower levels of FSM and IDACI. The SEN Floor is re-calculated on a monthly basis as the position of Plus funding changes for the movement of children.
* On top of SEN formula funding, the Local Authority publishes a ‘notional SEN’ figure for each school, which identifies the proportion of delegated resources that should be made available to contribute to supporting children with SEN.

4.22 Within the 2015/16 DSG, a number of centrally managed services and strategies have been continued at existing levels. These have not operated according to the Place-Plus framework described above. As stated in paragraph 3.2, local authorities are permitted to continue to fund separately additional outreach and support services that may be managed centrally or may be devolved to other providers under service level agreements. In Bradford in 2015/16, these include: the Junction Project, SEN Teaching Support Services (formerly known as ‘Learning Support Services or LSS’), the Youth Offending Team and support for Traveller Children. The DSG has also continued to meet the cost of out of authority of non-maintained placements for high needs children.

4.23 The DSG continues to provide a small budget (£115,000) in support of Speech and Language Therapy Services. This is a very small contribution in the context of the total budget managed by Health Services. We are still awaiting further information from the Clinical Commissioning Groups about the detail and timetable for the expected holistic review of SLT support services for children and schools. The Authority is aware that schools have begun to commission their own SLT services.

4.24 The DSG also continues to fund mainstream and special school settings for the cost of non-transferrable education-focused specialist equipment for individual children. In 2015/16 this arrangement was extended to Early Years provision and the total DSG budget is now £175,000.

**5. Places Setting for 2016/17**

5.1 As summarised in paragraph 2.4, the 2016/17 planned DSG currently has provision for:

* For individual settings, the greater of either actual occupancy at October 2015 or the 2015/16 planned places total, with some adjustments to individual settings for known additional changes.
* Further provision, not yet allocated to individual settings, for a further 30 places for the full 2016/17 financial year and a further 20 more places at September 2016. These places would be available to allocate across different provisions, though the Authority’s forecast suggests that these additional places will be needed in special school provision.
* An adjustment (reduction) to the number of secondary-aged alternative provision places in Bradford-located settings, to take account of the increased number of placements in independent schools.

5.2 The Authority will continue to affirm places forecasts over the autumn term and will talk to providers, prior to agreeing the DSG’s provision for high needs places with the Schools Forum for 2016/17 on 6 January 2016. There is some work that still needs to be done here for specific settings, including in confirming the forecasted need for places in the Further Education Sector.

5.3 The table below lists the currently planned 2016/17 places by existing Bradford-located individual high needs setting. These numbers include all places (early years, pre and post 16), including placements from other local authorities.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Setting | Type (AP or SEN) | October 2015 Occupancy(FTE) | 15/16 Funded Places (FTE) | 16/17 Initial Planned Places (FTE) |
| Primary PRU | AP | 33 | 42 | 42 |
| Central PRU | AP | 47 | 50 | 50 |
| Ellar Carr | AP | 49 | 45 | 45 |
| District PRU \* | AP | 120 | 160 | 146 |
| Acorn Centre | AP | 6 | 10 | 10 |
| Horizons Centre | AP | 8 | 10 | 10 |
| Long View Centre | AP | 7 | 10 | 10 |
| Phoenix Centre | AP & SEN | 12 | 20 | 20 |
| EY Canterbury Nursery School & CC \* | SEN | 1 | 12 | 12 |
| EY Hirst Wood Nursery School & CC \* | SEN | 1 | 12 | 12 |
| EY St Edmunds Nursery School & CC \* | SEN | 10 | 12 | 12 |
| EY Strong Close Nursery School & CC \* | SEN | 6 | 12 | 12 |
| EY Barkerend (Children’s Place) | SEN | 7 | 10 | 10 |
| EY Woodroyd Children’s Centre | SEN | 3 | 10 | 10 |
| ARC - Girlington Primary School | SEN | 15 | 20 | 20 |
| ARC - Swain House Primary School | SEN | 16 | 25 | 25 |
| ARC - Grove House Primary School | SEN | 10 | 12 | 12 |
| ARC – Hanson School \* | SEN | 53 | 65 | 65 |
| Special – Beechcliffe School | SEN | 107 | 99 | 107 |
| Special – Chellow Heights School | SEN | 183 | 165 | 183 |
| Special – Delius School | SEN | 100 | 110 | 110 |
| Special – Hazelbeck Academy | SEN | 125 | 116 | 125 |
| Special – High Park School | SEN | 93 | 96 | 96 |
| Special – Phoenix School | SEN | 77 | 80 | 80 |
| Special – Southfield Academy  | SEN | 226 | 217 | 226 |
| Special – Oastler School | SEN | 76 | 80 | 90 |
| DSP – Carrwood Primary School | SEN | 4 | 8 | 8 |
| DSP – Denholme Primary School | SEN | 6 | 8 | 8 |
| DSP – Green Lane Primary School | SEN | 13 | 10 | 13 |
| DSP – High Crags Primary School | SEN | 2 | 6 | 6 |
| DSP – Crossflatts Primary School | SEN | 7 | 6 | 8 |
| DSP – Beckfoot Academy | SEN | 8 | 12 | 12 |
| DSP – Oasis Academy (Lister Park) | SEN | 2 | 9 | 6 |
| DSP – Grange Technology College | SEN | 22 | 21 | 22 |
| DSP – Parkside School | SEN | 14 | 16 | 16 |
| DSP – The Holy Family Catholic School | SEN | 14 | 14 | 14 |
| DSP – Thornton Grammar School | SEN | 11 | 17 | 17 |
| DSP – Titus Salt School | SEN | 16 | 17 | 17 |
| DSP – Bradford Academy | SEN | 23 | 22 | 23 |
| DSP – Haworth Primary School | SEN | 3 | 6 | 6 |
| DSP – Bradford Forster Academy | SEN | 2 | 6 | 6 |
| DSP – High Park Learn and Play | SEN | 16 | 16 | 16 |
| Education in Hospital – Airedale | SEN | 6 | 22 | 22 |
| Education in Hospital – BRI | SEN | 15 | 11 | 11 |
| Tracks | SEN | 8 | 16 | 16 |
| Post 16 Places in mainstream Bradford | SEN | 38 | 38 | 38 |
| FE – Bradford College \* | SEN | 85 | 78 | 85 |
| FE – Shipley College \* | SEN | 86 | 44 | 86 |
| **Totals** |  | **1,792** | **1,903** | **1,996** |

\* further work is currently taking place on the forecast of 2016/17 planned places numbers

5.4 Further provision has indicatively been made, not yet allocated to individual settings, for a further 30 places for the full 2016/17 financial year and a further 20 more places at September 2016. These places would be available to allocate across different provisions, though the Authority’s forecast suggests that these additional places will be needed in special school provision.

5.5 In total therefore, the Authority plans to fund, through the High Needs Block, a total of 2,038 places in the 2016/17 financial year in Bradford-located settings; 1,710 SEN places and 328 Alternative Provision places. In addition, the DSG is currently funding 70 additional places in non-maintained special schools and independent schools.

5.6 This represents a total increase of 135 places on the 2015/16 planned budget position, but an increase of 149 SEN places. A reduction of 14 alternative provision places relates to the corresponding increase in the number of placements at independent settings (from 56 to 70). This is to be further considered by the Schools Forum.

**Question 1: Do you have any comments on the places (or the distribution of places) that are planned to be funded from the High Needs Block in 2016/17?**

**6. Proposed Changes to the Funding Model for the 2016/17 Financial Year**

6.1 It is the Authority’s view that our current Place-Plus funding system is still robust and fit for purpose. As a result, we propose to make only minor adjustments in 2016/17. The proposed adjustments to the pre-16 funding approach are primarily aimed at controlling costs within the High Needs Block and are proposed in recognition that ‘Place-Plus’ has now been established for 3 financial years.

6.2 We propose to continue to use the existing Ranges Model to categorise children for funding purposes. This Ranges Model is shown in Appendix 1.

6.3 In terms of the further development of the formula for the calculation of funding for post 16 high needs students in the Further Education sector, it has been agreed with the relevant providers that, as, on average, colleges deliver around 60% of the hours delivered by schools, colleges will be funded for the vast majority of students at 60% of the Ranges Model value for the primary need of the student. The exception will be students with the primary need of sensory impairment (Hearing / Visual), where funding will continue to be allocated on an actual cost basis. Due to the specific support needs of these students in Further Education, and the diverse nature of their curriculum choices, it is not possible to formularise this funding element. This approach brings the basis of funding of the Further Education and Maintained sectors closer together and provides greater transparency. It also allows for more accurate budget planning, both for colleges and for the Authority. This approach has been implemented for the 2015/16 academic year.

6.4 In terms of the pre 16 funding model, the only structural change that is proposed is to remove the Bradford-specific Minimum Funding Guarantee protection factor for special schools / academies and DSPs from the calculation of allocations from 1 April 2016. This Bradford-specific factor has been in place to provide an additional level of protection to ensure that the new Place-Plus funding system does not negatively affect the stability of provision as this is embedded and as settings become familiar with how allocations are calculated. This factor has protected the overall level of per pupil funding received by a setting, based on the distribution of children in the Ranges Model in the previous year. Although providing additional stability, this factor does not allow changes in the distribution of children within the Ranges Model to feed through into funding allocations for individual schools; it limits the extent to which funding ‘follows the child’. As Place-Plus will have been established at April 2016 for 3 full financial years, and as the vast majority of our special school provisions are growing in numbers, it is the Authority’s view that this specific additional protection should be removed from the funding model. Please note that this doesn’t affect the continuation of the DfE’s Minimum Funding Guarantee or the overall cash budget protection factor (set at minus 1.5%), which will remain in the funding model in 2016/17. The 2015/16 allocations from the Bradford-specific factor will be included in the calculation of the cash budget protection in 2016/17, so that the impact of its removal can be incrementally managed. No individual school’s Place-Plus allocation in 2016/17 will reduce by more than 1.5% in total cash terms on 2015/16.

6.5 It is estimated that the removal of this Bradford-specific MFG factor will reduce the cost of special school / academy and DSP budgets by £320,000 in 2016/17. This represents a reduction of approximately £263 per special school / academy / DSP place (referring to the benchmarking information shown in paragraph 2.2, which shows our rates of Plus funding in special schools to be £936 greater than the national median and £683 greater than the median of our statistical neighbours).

6.6 Given the size of the cost pressure within the High Needs Block, the Authority is considering, with the SEN Reference Group and the Schools Forum, a range of cost-saving measures. This includes consideration of whether changes should be made to the way additional place-led funding is allocated in year, where settings grow above their planned numbers. Currently the Authority allocates an additional £10,000 (pro-rata’d on a monthly basis) in real time at the point a setting’s occupancy exceeds its planned number of places in that month. Certainly, the Authority plans to move to a position where additional funding for the place-element in 2016/17 will not be finally determined until the end of the financial year; at March 2017. This is so that a balance of additional place-led funding owed can be calculated to take account of the months where the setting’s number of roll could have been below the planned number of places. The Authority has identified that currently allocating additional place-led funding on a monthly real time basis has led to some overpayment.

6.7 The Authority is also currently considering whether it is reasonable to apply 2 other restrictions to the allocation of additional place-led funding in year; the application of a ‘threshold’ where growth will only be funded over a set number of additional admissions e.g. 2 places, and allocating additional place-funding at £6,000 rather than £10,000. The Authority is considering these adjustments, understanding that mainstream settings do not receive additional formula funding for growth in their pupil numbers after the October Census is taken and £4,000 of the £10,000 is determined to cover fixed type costs, which will not necessarily increase with the addition of a small number of pupils. We would welcome views on these measures. These measures would not reduce the cost of the planned DSG budget in 2016/17, but they will help to control the value of additional ‘unplanned’ cost to the DSG during 2016/17.

**Question 2: Do you agree with the proposal to continue to use the existing Ranges Model (as shown in Appendix 1) to calculate the ‘Plus’ funding element for the 2016/17 financial year? If not, please explain why not.**

**Question 3: Do you agree with the incremental changes to the existing funding model for 2016/17, as outlined in paragraphs 6.4 to 6.7? If not, please outline which changes you do not agree with and the reasons why you do not agree.**

**Question 4: Do you have any comments on the model that has been implemented for the calculation of the Plus element for students with high needs in Further Education settings?**

**Question 5: Are there any further changes that you would wish to see made to the funding model in 2016/17? Please give details.**

**Question 6 – Do you have any other comments on the funding model that you have not recorded elsewhere?**

**7. Consultation Responses**

7.1 Please use the responses form at Appendix 2 to submit your views on the proposals outlined in the consultation. There is space in this form for you to comment on any aspect of the proposals. If you wish to discuss these proposals in more detail, or have any specific questions, please contact Andrew Redding using the contact details shown in paragraph 1. Please ensure that your response is submitted by the deadline of **Monday 30 November 2015**.

**8. Next Steps**

8.1 The Schools Forum will make final recommendations on the approach to the funding of high needs provision for the 2016/17 financial year on 6 January 2016. These recommendations will be made following consideration of the responses receive to this consultation and once the value of DSG funding allocated to the Authority for 2016/17 has been confirmed.

8.2 Subject to the agreement of the Council’s Executive Committee, the recommended approach will be used to allocate DSG funding from 1 April 2016.

8.3 We are awaiting further information from the DfE on the further development / timetable for implementation of national funding formula. These changes are very likely to directly affect the funding of high needs provision and the quantum of the High Needs Block within the DSG in future years. A clear next step therefore, is to work through the implications and to develop our responses during 2016 as announcements are made.

**9. Appendices**

Appendix 1 The 7 Ranges Model

Appendix 2 Consultation Responses Form

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **Appendix 1** |
|  |  |  |  |  |  |  |  |  |  |  |
|  | **HIGH NEEDS PROVISION: FUNDING CATEGORIES, BANDS & AMOUNTS 2015/16**  |
|  |  |  |  |  |  |  |  |  |  |  |
|  | **Range 1** | **Range 2** | **Range 3** | **Range 4** | **Range 5** | **Range 6** | **Range 7** |
| PRIMARY NEED | Delegated Place Funding | Band A (16.5-21.5 hours) | Band B (22-27 hours) | Band C (27.5-34.5 hours) | Band D (35+ hours) |   |   |   |
| **Additional "Plus" Funding** |  |  | **£0** | **£985** | **£3,105** | **£4,758** | **£7,411** | **£10,806** | **£14,398** | **£23,658** |
|  |   |   |   |   |   |   |   |   |   |   |
| Mainstream Autism & SLCN |   |   |   |   |   | SLCN | ASD |   | ASD+ | ASD++ |
| Mainstream MLD/SLD/PMLD |   |   | MLD |   | MLD+ | SLD | PMLD | SLD+ | PMLD+ | PMLD++ |
| Mainstream PD |   |   |   |   |   |   | PD |   | PD+ | PD++ |
| Mainstream HI/VI |   |   |   |   |   | HI/VI |   | HI+/VI+ |   |   |
| Mainstream BESD |   |   |   |   |   |   | BESD |   | BESD+ | BESD++ |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
| **Mainstream funding is within colour coded Bands (mainly range 4)** |  |  |  |  |
| **Funding is determined by actual Primary Need and is shown as text** |  |  |  |  |

**RESPONSES FORM**

**Consultation on Funding High Needs Provision 2016/17**

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Setting Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**THE DEADLINE FOR RESPONSES TO THIS CONSULTATION IS MONDAY 30 NOVEMBER 2015**

Please send completed questionnaire responses to:

School Funding Team

City of Bradford Metropolitan District Council

5th Floor, Britannia House,

Hall Ings

Bradford

BD1 1HX

Tel: 01274 432678

Fax: 01274 435054

Email: andrew.redding@bradford.gov.uk

Please complete the questionnaire by marking the appropriate boxes. There is a space below each question for you to record comments.

**Question 1: Do you have any comments on the places (or the distribution of places) that are planned to be funded from the High Needs Block in 2016/17?**

**Question 2: Do you agree with the proposal to continue to use the existing Ranges Model (as shown in Appendix 1) to calculate the ‘Plus’ funding element for the 2016/17 financial year? If not, please explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 3: Do you agree with the incremental changes to the existing funding model for 2016/17, as outlined in paragraphs 6.4 to 6.7? If not, please outline which changes you do not agree with and the reasons why you do not agree.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 4: Do you have any comments on the model that has been implemented for the calculation of the Plus element for students with high needs in Further Education settings?**

**Question 5: Are there any further changes that you would wish to see made to the funding model in 2016/17? Please give details.**

**Question 6 – Do you have any other comments on the funding model that you have not recorded elsewhere?**