**INFORMATION AND CONSULTATION ON FUNDING HIGH NEEDS PROVISION 2015/16 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. These reviews were completed to inform the approach for the current financial year. 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 relating to the High Needs Block, which are to be completed to inform decisions for the 2015/16 financial year in January 2015. The ‘DSG Reviews Matrix’, which outlines these review areas, is attached at Appendix 1. The key activities undertaken by the School Forum’s various working groups this year has been guided by this Matrix.
* In July 2014, following consultation, the Schools Forum agreed the proposed initial step towards the funding of high needs students in Further Education (FE) settings on a formula-basis for the 2014/15 academic year.

1.4 Our existing funding systems are now well placed to manage the new financial relationships that will be brought about the Government’s SEND reforms; in particular, the introduction of personalised budgets. This is especially due to our Ranges Model as the basis for funding different types of settings for the needs of students. We intend to fully develop this for the funding of Post 16 provisions. Over the medium term, we will also need to consider further how the Model operates where children and young people with additional needs no longer have ‘Statements’, though this is more an issue about how need is identified rather than an issue for the Ranges Model itself.

1.5 As indicated in previous consultations, some significant changes were expected to be made to high needs funding arrangements nationally for the 2015/16 financial year, in parallel with the introduction of a national funding formula for Primary and Secondary mainstream settings. In particular, we expected the move to the funding of high needs places on the basis of actual occupancy in the previous year; known as ‘lagged places’. Although it is still the DfE’s intention to move towards funding places on a lagged basis, this approach will not be implemented for 2015/16. In its latest publications, the DfE has explained its intention to complete a root and branch review of arrangements, for changes to be implemented in the 2016/17 financial year. For reference, the introduction of a primary / secondary national funding formula has also been postponed until April 2016 at the earliest.

1.6 As a result, the majority of the key features of the current high needs funding model, outlined in paragraph 3 below, continue for 2015/16. The DfE is not further prescribing how local authorities calculate the values of their ‘Plus’ (top up) elements. We continue therefore, to have complete flexibility in how we define and fund levels of need. The starting point for setting the number of high needs places for settings will be rolling forward the places that have been funded in the 2014/15 academic year.

1.7 The key directed ‘technical’ changes in national funding arrangements for the 2015/16 financial year are:

* To increase the value from £8,000 to £10,000 of Alternative Provision places (Primary Behaviour Centres and the PRUs), to bring this value in line with that of SEN places. However, a corresponding £2,000 reduction in the value of the ‘Plus’ (Top Up) element is expected, so that this change does not alter the material value an AP setting receives per student. The DfE is not allocating any additional funding to Local Authorities in support of this change, viewing this as a purely technical adjustment in the interests of simplicity.
* To fund Post 16 places on the basis of the location of the setting rather than according to the Authority that commissions the place. This will bring the organisation of Post 16 places in line with that of Pre 16 places. Although this is a technical adjustment which, all other aspects being the same, does not have financial implications, we are currently working through how our places reporting and monitoring processes must adapt to ensure that this change is cost neutral to our DSG. This change will require local authorities to work more closely together in the management of Post 16 places.

1.8 A more general clear change in funding policy, worth emphasising at this stage, is that the DfE will not allocate any additional DSG funding where a Local Authority chooses to increase its number of Alternative Provision places. The clear expectation is that such places will be afforded from an Authority’s existing DSG resources, most likely from a contribution from existing primary or secondary delegated budgets.

1.9 This consultation document now focuses on our funding model for the 2015/16 financial year. Proposals have been developed by the Local Authority under the supervision of the Schools Forum and in conjunction with a reference group of high needs providers. Please note that the Authority is beginning further work aimed at the development of a holistic approach to the funding of Post 16 high needs students. It is hoped that this work will progress quickly to inform the approach to funding from the beginning of the 2015/16 academic year. A separate consultation will take place in spring / summer 2015.

1.10 In addition, a number of important discussions are taking place within the Schools Forum regarding the future funding of high needs provisions from the Dedicated Schools Grant. The DSG Reviews Matrix at Appendix 1 gives an overview of the key areas. You are recommended to keep in touch with Schools Forum business (reports presented to the Forum and the minutes of meetings) by regularly checking the Council’s meetings website [here](http://councilminutes.bradford.gov.uk/wps/portal/%21ut/p/c5/hY_NUoMwAISfpQ_QSUhogCMQ5KepglRouXQo1sgQkqogP09fHC9e1N3jzs5-CwqwWJafNS-7WslSgAMoyIn5dpRB7BFsxhYMjf2WYZsg6KMlP5IT_EU2_KcdgYILdV52clo1I1U2px59_JgdKIIzih5Cv_YiVyXeLhDrVhpT7DSwSvCRK9rKvSLa-zDDKtWf07s3S-Ntnw5Dx7avHWIz6a-Tifxyo08CjS7K-nXobBw5KyuJ6zHv-LBagfzr8w_KaKcbCyVzafyUaaaLv_M_Pt4Hqr2Aa3uYL82LfQNTWp8a/dl3/d3/L0lDU0lKSkpDZ3BSQ1NBISEvb0VvZ0FFSVFoakZFSUFBak9NNFJrb0lBSVFBIS80QzFiOVdfTnIwUkprQWxJSWlSLS83X0xHQUpWMDNFNjM4UDkwSTdUS0wzQTYyMDgxL2libS5pbnYvMjcyODE5MDgzOTQ0/#7_LGAJV03E638P90I7TKL3A62081) (‘Schools Forum’ at the bottom left of the page menu).

1.11 The deadline for responses to this consultation is **Monday 1 December 2014**. Please address all questions and responses to Andrew Redding 01274 385702 andrew.redding@bradford.gov.uk. A response form is included at Appendix 3.

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

2.1 The values of formula factors quoted in the document e.g. the values of ‘Plus’ funding by Range shown in Appendix 2, are indicative only. In particular, these values will be subject to the School Forum’s management of costs pressures within the DSG in 2015/16.

2.2 The values of ‘Plus’ funding by Range were reduced by 1.5% in this current year, as a contribution to managing overall affordability. These reductions have not yet been felt by providers, as the Schools Forum allocated one off monies alongside which offset them. Depending on the level of pressures within the DSG in 2015/16, the Schools Forum may recommend a further reduction in values. Both the Authority and the Forum are aware that e.g. a further 1.5% reduction in rates in 2015/16, will actually feel like a 3% reduction for providers.

2.3 The Authority’s benchmarking of Top up (Plus element) rates against other authorities shows that our 2014/15 rates for maintained schools are at the very least 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 | £12,507 | £10,553 | £12,167 |
| Alternative Provision Places  | £13,612 \* | £9,190 | £8,586 |

\* Please note that this figure is based on Planned Budget, which for 2014/15 was based only on an estimate of the numbers of students to be placed in the PRUs in each Range. This figure will be confirmed at the end of the year (and is expected to be lower).

2.4 The reduction of 1.5% in Ranges funding rates in this current year were part of a series of measures that enabled additional spending on high needs provision, in particular to respond to the pressures on places and services capacity brought by demographic growth, including:

* Additional places for the 2014/15 academic year (approx. £1.5m - 60 special schools / academies; 12 DSPs; 10 Primary Behaviour Centres)
* Additional resources for Early Years SEN (£287,000 Portage, Assessment Processes and the EYIP)
* Specialist Equipment costs in Special schools / academies (£75,000)
* Growth in the number and cost of pupils with statements in mainstream settings (£400,000)
* Increasing the value of the SEN Funding Floor to support mainstream SEN provision (£250,000)
* Expanding the capacity of the Visual Impairment support service for mainstream and special school provisions (£100,000)
* Funding Alternative Provision settings fully via our Ranges model, removing the funding cap that was previously in place
* The full year delegated budget for the new Oastler Special School (80 places - the cost of this has been balanced against the reduction in the number of places available at District PRU)

2.5 The High Needs Block continues to be under significant financial pressure; overspending in 2014/15 by £2.5m (6%) against the notional DSG budget allocated the DfE. This is largely the result of demographic stresses. This overspending is met currently through contributions from the Schools and Early Years Blocks within the DSG. However this is a long term pressure, which cannot continue to be met simply by redistributing existing resources. We expect the DfE’s review of funding arrangements in 2015 to deliver a distribution of high needs funding nationally that is more in line with current spending levels and is more responsive to the pressures brought about by demographic growth.

2.6 In advance of this expected (but not guaranteed) wider national funding system change, we must be aware that decisions that increase the number of places, or increase the levels of central-managed support available for high needs students, or protect an existing high needs budget to enable transition to a new way of working, increase the level of pressure on the High Needs Block. Although there is some additional resource provided now by the DfE to meet pressures that come from demographic growth, the bulk of these pressures have to be met by reducing another High Needs Block budget and / or by taking further contributions from the Schools Block (mainstream primary and secondary budgets) and from the Early Years Block (resources for the early years free entitlement delivery in mainstream and PVI settings). As such, the relative impact of these decisions on the outcomes for all children and all aspects of education must be considered. The Authority is very aware that delegated budgets for nursery, primary and secondary settings are also under pressure. It is in this context that decisions about resourcing high needs provision in 2015/16 must be taken by the Schools Forum in January 2015. We must also have an eye on the future.

2.7 As outlined in paragraph 5, the Authority proposes to increase the number of places funded by the High Needs Block by 65 for the 2015/16 academic year, which itself lifts the total cost above current levels. Unless the result of re-organisation of provision, the Authority is not permitted to reduce the number of places in 2015/16 funded at any setting. The growth required therefore, cannot be balanced against reductions. Half of the growth required is needed in the FE sector to meet current demand. The other half is in SEN provision, including the establishment of 2 new DSP provisions. There is also a planned increase in places at primary PRU, which is needed to ease pressure on more expensive possible out of authority placements. The Authority’s forward planning data however, suggests that an additional 80+ places will be required by September 2018 to deliver sufficient capacity; 60+ places in special schools and academies and 20 places in resourced provisions, at a rough on-going revenue cost to the DSG of £1.6m per annum. This size of growth is also very likely to necessitate the establishment of a new special school provision, which will require capital resources. These are costs that Schools Forum will be required to immediately manage over the 2016/17 and 2017/18 financial years. Over the same period, the Authority also predicts that the capacity of SEN services in place to support of children with SEN in mainstream provisions will need to be increased to respond effectively to demand. Support services for Early Years and for ASD children, in particular, are already under stress. The expansion of the 2 year old free entitlement also has implications for costs to the High Needs Block, as the numbers of identified children with additional needs, and the length of time in provisions, increases.

**3. Reminder of the Key Characteristics of the ‘Place-Plus’ Framework, updated for 2015/16**

3.1 Under ‘Place-Plus’, delegated budgets in 2015/16 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 2015/16 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 2) 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 2014/15 academic year, Bradford has implemented a transitional initial step towards a formula Ranges based approach to the calculation of Plus funding. We aim for a longer term more holistic approach to be implemented for the start of the 2015/16 academic year.

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 Minimum Funding Guarantee is still required in 2015/16, to protect an individual setting’s Plus allocation against reductions of more than 1.5% per pupil.
* 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.

Places Setting

4.2 The Local Authority was required in December 2013 to submit a return to the EFA, which listed the number of FTE places the Authority proposes to fund for the 2014/15 academic year. The Authority set these places on the best information available and in consultation with settings. The figures included the removal of excess places that were not predicted to be filled and additional places for forecasted growth. The funded places for the period April – August 2014 were taken directly from the return to the EFA for the 2013/14 academic year. Settings have been funded on a financial year composite of the 2 academic year numbers.

4.3 Any small issues subsequently with the number of places at individual settings have been adjusted within the calculation of the Plus element the setting receives. Where a setting is asked by the Local Authority to exceed its places (pre-16), the setting has been allocated both the Place and the Plus funding elements for the additional pupils.

4.4 In the original 2013 consultation, we proposed that, in circumstances where the actual pupils on roll are lower than the number of funded places, the value of Plus funding would be adjusted to recognise that the setting is funded for empty places. As we explained in last year’s consultation, in reality, we found this adjustment very difficult to administer and have not included it within the on-going calculations.

Identification and Moderation of Pupil Need

4.5 As the majority of placements are commissioned by the Local Authority, the process for placing children into the 7 Ranges framework has been led by the Local Authority. This has been based on 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.

4.6 The Local Authority reviewed existing pupil populations against the Ranges model in the autumn 2013 and spring 2014 terms and discussed the outcomes of this with each setting. The outcomes of these conversations set the starting position for funding by Range at April 2014. Assessment places have been funded at Range 4D.

4.7 The process for managing in year changes, or for the placement of pupils newly statemented, has been led by the Local Authority. The Authority has tracked the movement of children between settings and has re-calculated funding on a monthly basis. SEN Services has provided 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 have been resolved at this point, before the 10th of the month deadline. Newly statemented children have been placed into one of the 7 Ranges by the Authority using primary need data. Children initially placed at Range 4D have re-categorised following assessment and settings have been notified of this. Settings have also been notified of the proposed funding range of a child at the point of consultation on placement. Schools have been able to refer to the monthly funding statements to check changes and the funding position of newly admitted pupils

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

Funding Pupil Based Need – the 7 Ranges Model

4.10 The agreed 7 Ranges Model, shown at Appendix 2, has been 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.

4.11 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.

4.12 The values of funding per pupil set for each range in 2014/15 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** |

4.13 These values are 1.5% lower than those set in 2013/14.

4.14 For example then, for a child assessed at Range 7 in a Special school or academy would receive £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 would receive the Plus value for the proportion of the year the pupil is on roll.

Funding Setting Based Need

4.15 The following setting based needs factors have been included in the calculation of Plus funding in 2014/15. These have been 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 would receive 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 2014/15 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 2013/14 values for maintained schools that operate across split sites (£160,000 for a full year allocation).
* Minimum Funding Guarantee - the DfE set a condition that, in 2014/15, 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 2014/15 will not reduce by more than 1.5% on 2013/14. 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.
* 2013/14 Budget Protection – an additional total cash budget protection, which ensures that at no point during 2014/15 will the total ‘Place Plus’ calculated budget for an individual setting be more than 1.5% lower than the 2013/14 total level of funding (taking account of the income received for placements by other local authorities).
* Safeguarded Salaries & Excess Travel – existing agreed safeguarded salaries reimbursements and excess travel protections for Special schools have continued to be funded on an actual cost basis. Excess travel protections are reimburse a year in arrears. This is a factor specific only to special schools.
* 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.
* One Off Funding – an additional £234 per Pre-16 place allocated by the Schools Forum for 2014/15 only, funded from available one off balances within the Dedicated Schools Grant.

In Year Re-Calculation

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

4.17 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 have been made in the subsequent month’s calculation.

4.18 Funding for August repeated the position recorded for July.

4.19 A ready reckoner has been provided, 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

4.20 The approach outlined in paragraphs 4.2 to 4.19 has been 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 4.15, only the One Off Funding, Minimum Funding Guarantee and the 2013/14 budget protection factors have been applied. The other factors have not been 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 has been applied to ARCs in the same way as for the DSPs above, with four differences. Firstly, all children placed in the ARCs have been funded at Range 5. Secondly, as ARC provision is managed by the Local Authority, the monthly calculated ‘Plus’ element has been retained by the Authority plus the settings have paid 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 has been applied, as the Authority cannot access the de-delegated arrangements that resources provisions attached to maintained schools can. Fourthly, the 2013/14 Budget Protection Factor has not been applied, to enable the repayment of place-led funding

4.21 The approach outlined in paragraphs 4.2 to 4.19 has been used to calculate allocations for Early Years SEN Resourced Provisions (Children’s Centre Plus and SIMBA), with the following differences:

* An integrated Early Years Support Pathway has been implemented. This pathway has streamlined needs identification and assessment processes children 0-7 years with SEND (replaces the processes outlined in paragraphs 4.5 to 4.8).
* All children have been funded at Range 4D.
* As with ARC provision above, the Place element (the £10,000 element) has been delegated to individual settings based on the agreed number of FTE places and the monthly calculated Plus element has been retained by the Authority to support the cost of centrally managed services. A new commissioning model has not been implemented in 2014/15 and services have remained under Local Authority management. However, settings have not been required to pay back a portion of the £10,000 place-led funding in this financial year, but it is expected that this will be required next year.
* Allocations for individual settings have been calculated on the FTE number of children i.e. a single 15 hour place is 0.6 FTE and therefore, the value of place funding is £10,000 x 0.6 = £6,000. The Plus element of the funding model has been subject to the same 0.6 FTE adjustment.
* Of the setting based need factors listed in paragraph 4.15, only the One Off Funding and New Delegation Costs factors have been applied. The protection mechanisms have not been applied in anticipation of changes in funding distribution that the move to a new commissioning model would require, but also because of the transfer of the funding of Children’s Centre Plus provision onto the full Place-Plus methodology and an expected re-calculation of the total allocated budget.

4.22 The approach outlined in paragraphs 4.2 to 4.19 has been used to calculate allocations for placements in Pupil Referral Units, with the following differences:

* The value of the Place element has been set, by the DfE, at £8,000 rather than £10,000. As a consequence, the Small Setting Protection factor has been calculated on the £8,000 per place value. An additional setting factor has been included, which has topped up the Place element to £10,000 at 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 not been allocated to providers at the start of the year, but has been added to the Plus element and allocated flexibly on a monthly basis following the actual placement of pupils. A new commissioning model for District PRU, incorporating the payment of the place-led element to providers, has been introduced from September 2014.
* 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.
* Of the setting based need factors listed in paragraph 4.15, only the New Delegation Costs, Small Setting Protection, Minimum Funding Guarantee and One Off Funding factors have been employed. Due the movement of places between the different PRUs, it has not been appropriate to employ the 2013/14 Cash Budget Protection Factor. A separate (different) split site factor has been used. Please see below.
* The following additional setting based need factors were included for the first time in the 2014/15 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 have calculated 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. To recognise this, we have added funding for rates into the setting need based factors, on an actual cost basis. In 2014/15, we have also included the cost of rates in 2013/14, to retrospectively reimburse the PRUs for costs incurred in that financial year.

4.23 The approach outlined in paragraphs 4.2 to 4.19 has been used to calculate allocations for placements in the Primary Behaviour Centres, with the following differences:

* As directed by the DfE, each ‘behaviour’ place is funded at a value of £8,000. The additional 5 SEN places at the Phoenix Centre are funded at £10,000, to ensure consistency with the funding of other resourced SEN units.
* For SEN placements (at Phoenix Centre), pupil need has been identified and moderated as outlined in paragraph 4.5. 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 has been employed; 50% of pupils funded at Range 4D and 50% of pupils funded at Range 5 on a monthly basis.
* Like other resourced provision, 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 setting need based factors that have been included within the calculation of Plus funding for the Centres in 2014/15 are: the Churn factor (as per Central PRU above and calculated on the same basis), the 2013/14 Budget Protection factor and the One Off Funding factor.

4.24 A separate process has been followed to calculate allocations for placements in Post 16 Further Education Settings. An initial difference is that, because the Place element is calculated for FE settings on a ‘lagged’ basis a year in arrears, where placements at an FE College have exceeded the number of set places, the expectation has been that the Place element would not be funded by the authority in year, but would instead be reflected in the college’s place numbers set in 2015/16. As indicated previously in this document, in July 2014, following consultation, the School Forum agreed the proposed initial step towards the funding of high needs students in Further Education settings on a formula-basis for the 2014/15 academic year, moving away from the previous actual costs of provision funding model. This approach has now been implemented. In summary, as a first step, the Authority has formularised the funding of approximately 65% of high needs students in FE settings, with the following primary needs, based on the current captured FE costs of provision, cross checked against our Ranges Model.

* Autism Spectrum Disorder (ASD)
* Emotional, Behavioural and Social Disorder (BESD)
* Moderate Learning Difficulties (MLD)
* Speech, Language and Communication Needs (SLCN)
* Profound and Multiple Learning Difficulties (PMLD)
* Severe Learning Difficulties (SLD)

This stops some way short of establishing a single formula for all maintained and FE post 16 funding. It is not a very complicated approach; the Authority has used analysis of mean and median averages, together with the variances for the funding of individual students, to develop formula weightings. But this does formularise the current FE actual costs model as a step towards a more holistic formula approach. A working group is currently being established that will take this review forward to inform the Post 16 funding model to be used for the 2015/16 academic year. This work has implications for the funding of all Post 16 high needs provision in the future, include FE and Post 16 provision in resourced units and special schools and academies.

4.25 The funding for Education in Hospital in 2014/15 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 2013/14 (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.

4.26 The new Place-Plus framework for the funding of children with SEN in mainstream Primary and Secondary schools / academies mainstream has been applied in 2014/15 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. The value of the Floor has been substantially increased for both primary and secondary in 2014/15.
* 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.

4.27 Within the 2014/15 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 2014/15, 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.

4.28 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.

4.29 The DSG also continues to fund mainstream settings for the cost of non-transferrable education-focused specialist equipment for individual children. In 2014/15 this arrangement was extended to special school provision and the total DSG budget is now £150,000.

**5. Places Setting for 2015/16**

5.1 As summarised in paragraph 3.1, the number of places funded at each setting is set before the start of the financial year and does not change. This is designed to give settings a level of security.

5.2 The number of places to be funded per setting for the period April to August 2015 will be taken directly from the places that have already been agreed and established for the current 2014/15 academic year. Where the actual occupancy of a setting (pre 16) exceeds its number of places during this period, the existing process for allocating both the place and plus elements for the additional pupils will be followed and updated on a monthly basis.

5.3 In the absence of moving to a ‘lagged’ places approach, the EFA’s key expectation in setting places for the 2015/16 academic year is that the total number of places at each setting should align closely with actual occupancy across the previous year and / or the number of places that were set for the 2014/15 academic year, unless there is very good reason to deviate from these, for example, in response to forecasted growth in demand or to remove places that are known to remain unfilled due to re-organisation of provision..

5.4 Referring also to the warnings of paragraph 2 regarding cost pressures within the High Needs Block, providers should expect for 2015/16 therefore, for a growth in places only to be funded in circumstances where an increased demand is clearly evidenced by the Authority’s planning data.

5.5 Any growth in Alternative Provision places must be funded from existing DSG resources, but most likely via a top slice from mainstream primary / secondary delegated budgets. As such, an increase in these places before the start of the 2015/16 financial year will only be made following the agreement of the Schools Forum, who will also agree how the cost of these places is to be financed. There is nothing to stop primary and secondary schools or academies in partnership e.g. through the BACs, or individually, purchasing additional places, on top of the number funded by the High Needs Block, directly from their delegated budgets.

5.6 The table below lists the places by existing individual high needs setting, showing the current 2014/15 academic year number of FTE places, recorded actual occupancy at 10th July and 10th September 2014 and the proposed / planned number of FTE places to be allocated for the 2015/16 academic year. These numbers include all places (early years, pre and post 16). However, the Post 16 places shown are still only those that are commissioned by Bradford Local Authority.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Setting | Type (AP or SEN) | July 2014 Occupancy | Sept 2014 Occupancy | 14/15 AY Places | Planned 15/16 AY Places |
| Primary PRU | AP | 34 | 35 | 36 | 42 |
| Central PRU | AP | 47 | 44 | 50 | 50 |
| Ellar Carr | AP | 41 | 45 | 45 | 45 |
| District PRU | AP | 215 | 124 | 160 | 160 |
| Acorn Centre | AP | 6 | 0 | 10 | 10 |
| Horizons Centre | AP | 10 | 7 | 10 | 10 |
| Long View Centre | AP | 7 | 3 | 10 | 10 |
| Phoenix Centre | AP & SEN | 14 | 11 | 20 | 20 |
| Primary Behaviour Centres from Sept 2014 | AP | 0 | 0 | 10 | 10 |
| EY Canterbury Nursery School & CC | SEN | 3.0 | 0.6 | 12.8 | 12.8 |
| EY Hirst Wood Nursery School & CC | SEN | 6.0 | 3.0 | 12.8 | 12.8 |
| EY St Edmunds Nursery School & CC | SEN | 12.0 | 6.0 | 12.8 | 12.8 |
| EY Strong Close Nursery School & CC | SEN | 11.4 | 6.6 | 12.8 | 12.8 |
| EY Barkerend (Children’s Place) | SEN | 7.8 | 3.6 | 10.4 | 10.4 |
| EY Woodroyd Children’s Centre | SEN | 4.8 | 2.4 | 10.4 | 10.4 |
| ARC - Girlington Primary School | SEN | 15 | 17 | 20 | 20 |
| ARC - Swain House Primary School | SEN | 22 | 20 | 25 | 25 |
| ARC - Grove House Primary School | SEN | 11 | 11 | 12 | 12 |
| ARC – Killinghall Primary School | SEN | 0 | 0 | 1 | 0 |
| ARC – Hanson School | SEN | 62 | 61 | 65 | 65 |
| Special – Beechcliffe School | SEN | 91 | 91 | 99 | 99 |
| Special – Chellow Heights School | SEN | 127 | 149.8 | 150 | 150 |
| Special – Delius School | SEN | 102 | 106 | 110 | 110 |
| Special – Hazelbeck Academy | SEN | 103 | 116 | 110 | 116 |
| Special – High Park School | SEN | 95 | 96 | 95 | 96 |
| Special – Phoenix School | SEN | 78.8 | 79.2 | 75 | 80 |
| Special – Southfield Academy  | SEN | 204 | 197 | 217 | 217 |
| Special – Oastler School | SEN | 53 | 57 | 80 | 80 |
| DSP – Carrwood Primary School | SEN | 8 | 6 | 8 | 8 |
| DSP – Denholme Primary School | SEN | 8 | 7 | 8 | 8 |
| DSP – Green Lane Primary School | SEN | 8 | 10 | 10 | 10 |
| DSP – High Crags Primary School | SEN | 6 | 6 | 6 | 6 |
| DSP – Crossflatts Primary School | SEN | 2 | 3 | 6 | 6 |
| DSP – Beckfoot Academy | SEN | 10 | 12 | 10 | 12 |
| DSP – Oasis Academy (Lister Park) | SEN | 6 | 6 | 9 | 9 |
| DSP – Grange Technology College | SEN | 12 | 17 | 21 | 21 |
| DSP – Parkside School | SEN | 15 | 16 | 15 | 16 |
| DSP – The Holy Family Catholic School | SEN | 11 | 11 | 12 | 14 |
| DSP – Thornton Grammar School | SEN | 14 | 15 | 15 | 17 |
| DSP – Titus Salt School | SEN | 16 | 17 | 15 | 17 |
| DSP – Bradford Academy | SEN | 20 | 22 | 22 | 22 |
| Education in Hospital – Airedale | SEN | 9 | 9 | 11 | 11 |
| Education in Hospital – BRI | SEN | 22 | 22 | 22 | 22 |
| Tracks | SEN | 13 | 13 | 16 | 16 |
| Post 16 Places in mainstream Bradford | SEN | 38 | 38 | 38 | 38 |
| Places in Non Maintained Special Schools | SEN | 15 | 15 | 15 | 20 |
| Places in Other Local Authority Provisions | SEN | 16 | 16 | 16 | 11 |
| FE – Bradford College | SEN | 77 | 80 | 78 | 78 |
| FE – Shipley College | SEN | 49 | 50 | 32 | 49 |
| FE – Calderdale College | SEN | 4 | 4 | 4 | 4 |
| FE – Huddersfield New College | SEN | 2 | 1 | 2 | 2 |
| FE – Specialist Communication College Doncaster | SEN | 0 | 2 | 0 | 2 |
| FE – Leeds City College | SEN | 13 | 20 | 13 | 16 |
| FE – Craven College | SEN | 20 | 23 | 23 | 25 |
| FE – Henshaw’s College | SEN | 7 | 9 | 7 | 9 |
| FE – Other Colleges & ISPs | SEN | 3 | 4 | 3 | 4 |
| **Totals** |  | **1,806.60** | **1,749.20** | **1,919** | **1,972** |

5.7 In addition to the planned numbers shown above at existing settings, the Authority plans to establish places at the following settings for the 2015/16 academic year:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Setting | Type (AP or SEN) | July 2014 Occupancy | Sept 2014 Occupancy | 14/15 AY Places | Planned 15/16 AY Places |
| DSP – Haworth Primary School | SEN | 0 | 0 | 0 | 6 |
| DSP – Bradford Forster Academy | SEN | 0 | 0 | 0 | 6 |
| **Totals** |  | **0** | **0** | **0** | **12** |

5.8 How the DSG’s resources, allocated in support of children in early years with SEND, are distributed has been (and is) under review. This review incorporates the DSG budgets for the Children’s Centre Plus and SIMBA provisions, which are calculated using the Place-Plus framework (the numbers of places are included in the above table). Occupancy in these provisions is currently low, which the result of a number of factors, including the proposals for the remodelling of the District’s Children’s Centre provision. This position hides the fact that the pressure on early years SEND services is significantly increasing, due to demographic growth and the introduction and expansion of the 2 year old offer. This is a longer term trend that must be effectively managed. Review will determine the future direction of Children’s Centre Plus provision. Review will also, more widely, assess the sufficiency of DSG early years budgets and will determine how these budgets are allocated. Pending the outcomes of this review, the planned places for the Children’s Centre Plus and SIMBA provisions for the 2015/16 academic year are held at the existing level.

5.9 Similarly, conversations are currently taking place with the Bradford Improvement Partnership and Primary representatives about the future direction of behaviour support services and capacity for primary-aged pupils. The table above shows that the full capacity of the primary behaviour centres is currently not utilised. One of the outcomes of these conversations could be that the current DSG budgets that are earmarked for the primary behaviour centres may be used in a different way. At the time of writing this document, the outcomes of these discussions are not known. Therefore, the places for the 2015/16 academic year for the primary behaviour centres are planned to be held at the 2014/15 level, so that the resources within the DSG are maintained to be available in support of primary behaviour support provision and are not redirected elsewhere.

5.10 Please note that the places for Further Education providers for 2015/16, and the September 2014 occupancy, cannot be confirmed until after the processing of the October 2014 Census and checking by settings. The planned places shown in the table above therefore, are estimated based the Authority’s current data, and are subject to change, including for the adjustment to funding places on the basis of location.

5.11 In total therefore, the Authority plans to fund, through the High Needs Block, a total of 1,984 places in the 2015/16 academic year; 1,632 SEN places and 352 Alternative Provision places.

5.12 The Local Authority has contacted each high needs setting directly to discuss this information and the numbers planned for 2015/16.

**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 the 2015/16 academic year?**

**6. Feedback From / Review of 2014/15 Funding Arrangements**

6.1 The Authority’s main conclusions from our review of our arrangements, incorporating initial feedback from settings and from the SEN Reference Group, over the last 2 years of the operation of the Place-Plus methodology, are:

* Our response to the requirements of the national Place-Plus framework has produced a funding model in Bradford that is clear. Although there have been some technical issues to work through, the model has not generated significant issues for any phase or type of provision.
* This being said, there is a recognised need for a holistic review of the funding of Post 16 high needs provision, which is now being taken forward. The Authority’s view is that a formularised approach (which is what our Ranges model is) to the calculation of the ‘Plus’ element for the majority of students has significant advantages, especially for the management of Personalised Budgets in the future.
* Although a reason for a lack of significant issues may be the continued use of measures, which have protected individual allocations (the MFG and the Cash Budget Protection Factor), in fact the protections have largely not been employed. Where they have been, they have enabled continuity of provision.
* Following the improvements in processes that were introduced this year, our model now more successfully responds to mid-year changes, both in numbers and in the levels of need of students. It is recognised that the monthly re-calculation of allocations has created additional work for both settings and the Local Authority. The inclusion of the planned Range of a student on placement consultation documents, the provision of an ‘on roll’ list at the start of each month, as well as the ready reckoner, however, have helped settings be clearer about the financial impact of movements during the year and have helped colleagues have more confidence in how allocations are calculated.
* In both of the last 2 financial years, most settings have filled (or exceeded) their expected number of places during the year. The in year re-determination of allocations per se has not generally produced the level of turbulence that was initially feared. This being said, settings continue to be concerned about the risks to budgets where a child ceases to be on roll and funding is immediately reduced. The Authority has been asked to look at whether / how the Surplus Balances Protocol can be amended for stand-alone maintained high needs providers, to allow these providers to hold a higher level of reserve in support of budget and service protection. This is further discussed in paragraph 8.
* An emerging concern is the risk brought by the monthly re-determination of allocations on service delivery and standards for smaller providers, especially resourced units attached to mainstream schools and academies and settings that are newly establishing. Funding partly on a place-led basis does provide some stability and it has been the Authority’s practice to fund newly establishing provisions on a minimum number of places. The inclusion of the Cash Budget Protection mechanism has also helped protect smaller settings against unplanned reductions in funding. For resourced units attached to mainstream schools and academies, this protection has ensured that any financial pressure brought about by in year re-determination has been supported rather than being substantially passed onto the school’s or academy’s mainstream delegated budget. The Authority’s view has been that the Cash Budget Protection mechanism is only a transitional measure to be removed as Place-Plus is better established. However, in the light of feedback and discussions with the SEN Reference Group, the Authority proposes that a protection continues as a permanent factor in the funding model, and this is discussed further in paragraph 7.
* Some concerns have been expressed about the admissions process for children into specialist provisions. SEN Services, (On behalf of the Council) is the admissions authority for all children with Statements or Education, health and Care Plans. The SEN Code of Practice requires SEN Services have to seek and consult on parental preference. Schools have 15 days to respond to a request and the process is detailed in the SEN Code of Practice 2014.
* The processes for the identification and moderation of pupil need, especially for Special schools and for children in DSP and ARC provision, are secure. The new process this year whereby a pupil’s range can be amended in year in response to a sudden increase in need is a positive addition to these processes. The processes for the identification and moderation of children / students in other settings must still be strengthened. We must also consider how the funding model is to be applied where children / students with additional needs do not possess Statements.
* The 7 Ranges Model (Appendix 2) has delivered a sound basis for determining consistent values of ‘Plus’ funding for individual children aged pre-16 (post 16 funding is under review, as stated earlier in this document). Being aware that the DfE plans a root and branch review of high needs funding arrangements during 2015, which may have implications for how the ‘Plus’ funding element is calculated in the future, the Authority’s view is that the existing Ranges model is robust enough to be used to calculate the funding for pre-16 students in 2015/16. Consideration does need to be given in the future, not just to the outcomes of the DfE’s review, but also to the extent to which our 7 Ranges Model aligns with those adopted by other regional authorities, which will support the delivery of a consistent approach more widely than just Bradford. We believe that our pre-16 funding model is not dissimilar from that of other regional authorities. We are also clear that our first priority must always be to ensure that our funding model works for Bradford providers.
* The factors that have allocated ‘Plus’ funding on a formula basis according to the specific needs of individual settings (rather than pupils), including the additional factors that were introduced in 2014/15, have worked well. Together, these factors meet the main additional cost pressures that are faced by settings, including where these pressures do not fall evenly. The Authority has reviewed the split sites factor within the SEN model and has concluded that this factor is ok in its current form; allocating £160,000 for a split site school / academy on a full year basis. This level of funding is very comparable with the support that would be allocated if the 2nd site was a stand-alone school in receipt of small setting protection.
* For provision in mainstream primary and secondary schools and academies, the national £6,000 threshold has been adopted without much difficulty. The notional SEN calculation has been clearly identified and schools are clear on their level of financial responsibility. The SEN Funding Floor remains a factor essential in supporting especially smaller primary settings with children with SEN. Enhancing the value of the SEN Floor in 2014/15 has meant that this factor better supports smaller settings, and settings not in receipt of significant amounts of Pupil Premium, meet their SEN responsibilities. Due to affordability constraints, the planned increase in the SEN Floor was not fully introduced this year. Subject to the position of the DSG, the Authority plans to recommend to the Schools Forum that the value of the SEN Floor for primary settings is increased to the full initially proposed value in 2015/16.
* Funding from the DSG of additional services, outside the Place-Plus framework, to support schools and academies in meeting the needs of their high needs children / students continues to be essential. These services can be delivered either on a delegated SLA model or via services centrally managed by the Local Authority.

**Question 2: Do you have any comments on the conclusions that have been reached following the review of the current funding model? Do you have anything to add?**

**7. Funding Model Proposed for the 2015/16 Financial Year**

7.1 Excluding arrangements for Post 16 provision, which may be subject to a greater degree of change following the separate review and consultation to take place early next year, the Authority is proposing again only incremental changes for 2015/16. Any changes to the funding model specifically for Post 16 provision are unlikely to be implemented before August 2015. The Schools Forum has already agreed the approach to funding Further Education settings up to the end of the 2014/15 academic year.

7.2 It is proposed that the basic Early Years to Year 11 funding model for the full 2015/16 financial year, and the Post 16 model for at least the summer term 2015, will be as 2014/15, with the following amendments:

* **PRUs and Primary Behaviour Centres** – following the DfE’s directed change, the value of the place element will be increased from £8,000 to £10,000, an increase of £2,000 per FTE place on a full year basis. As expected by the DfE, a corresponding decrease of £2,000 per place will be made to each setting’s Plus element, so that this change has a neutral impact on both the setting’s budget and on the total DSG High Needs Block.
* **Early Years Children’s Centre Pus** - the Authority proposes to adjust the total planned DSG budget allocated to this provision (£1.27m) to remove the current double funding within the £6,000 place-led element per FTE place. In terms of process, the individual centres will be required to repay an element of their £10,000 per place in support of the costs of centrally managed services and staffing. This will have an impact on each centre’s delegated budget. The final details of this adjustment are subject to further discussions with the centres and with the Schools Forum.
* **SEN Funding Floor Primary schools and academies** – The Authority would like to recommend to the Schools Forum that the value of the SEN Funding Floor for primary schools and academies is increased in 2015/16. The SEN Funding Floor is a protection mechanism that ensures that all schools / academies receive a minimum amount of SEN funding. In effect, the Floor provides a top up for schools / academies with high value Statements that do not receive equivalent sums of formula funding, due to lower levels of deprivation. The Floor ensures that all schools / academies have sufficient delegated funds both to meet the cost of their Statements and to support children at school action / school action plus. In this, the Floor also supports / incentivises the inclusion of children with SEN within mainstream provision. After meeting the full cost of Statements, the SEN Floor in 2014/15 then ensures that schools / academies receive the following minimums:
	+ Primary: a lump sum of £19,931 or £70.16 per pupil, whichever is higher
	+ Secondary: a lump sum of £100,450 or £70.16 per pupil, whichever is higher

The values of the Floor for both primary and secondary were increased by 50% by the Schools Forum in 2014/15. However, this level of increase was not as much as initially proposed, due to overall affordability issues within the DSG. Recognising the pressures that are especially currently growing in smaller primary schools and primary schools that receive little Pupil Premium, the Authority would like to recommend to the Forum that the value of the lump sum element of the Floor for primary schools / academies is increased again in 2015/16 to £26,574, with the value per pupil remaining as now. The lump sum and per pupil values for Secondary would remain unchanged. This increase will cost approximately £195,000 in a full year.

* **Budget Protection Factor** – Unlike the Minimum Funding Guarantee (MFG), which protects only the level of Top up funding per pupil, the Cash Budget Protection Factor ensures that a setting’s total annual cash budget (the total of all Place and Plus elements) does not reduce by more than 1.5% on the previous year. In 2014/15, this factor was applied to protect the budgets of special schools / academies, DSPs and Primary Behaviour Centres. It was not applied to the ARCs, Early Years Children’s Centre Plus or PRUs, due to the agreed changes in funding approaches that would otherwise have been overridden. This factor is also not applied to the funding of children with Statements in mainstream primary and secondary provisions.

As a basic principle, funding should be allowed to follow the movement of pupils, and Bradford’s Funding Model is very responsive to changes both between and within years. We must guard against ‘locking’ budgets into settings that should be redirected elsewhere. We expect settings to manage their expenditure according to the number of places that are funded by the Authority. However, the Funding Model must allow some room for transition and must also provide a stable financial platform on which settings can develop and maintain high quality provision. The Cash Budget Protection has performed this function over the last 2 financial years, but has been applied or not applied in a blanket fashion as a transitional measure only, guarding against any unpredicted negative impact of the new system. As such, this factor has been applied without reference to the actual circumstances of each setting e.g. whether a setting’s places are being reduced as part of a re-organisation of provision. We do not wish to continue to operate such a blanket protection mechanism.

The Authority proposes therefore, to continue the Cash Budget Protection as a permanent factor within the Funding Model for Bradford schools and academies. This will work to protect a setting’s total annual cash budget from reducing by more than a set percentage on the previous year; proposed to be 1.5% in 2015/16. This will complement the MFG, which protects against significant reductions in the value of pupil funding (linked to changes in levels of need). However, we propose that this factor is applied only to high needs settings in Bradford that receive the vast majority of their funding from Bradford Local Authority, and only in the following 3 circumstances:

* + Where the Authority has reduced the number of funded places at the setting on the previous financial year AND where the Schools Forum has not made a separate specific recommendation on whether the Budget Protection factor should be applied or not. This is intended to give time (1 year) for the setting to respond to a more permanent reduction in funding and expenditure, without this having an impact on standards. Please note that the reduction in places at District PRU at September 2014 will not trigger this protection in 2015/16, as the Schools Forum has already recommended that the DSG budget this reduction has released be re-allocated within the High Needs Block.
	+ Where the setting’s number of funded places are the same as in the previous financial year, but where the setting’s actual annual occupancy is lower than in the previous year AND where the Authority’s planning data confirms that the full number of places will be needed to meet demand in the following year. This is intended to enable the setting to manage a ‘blip’ in occupancy without removing capacity that will be needed in the following year, being able to retain high quality staffing.
	+ Any other setting, following agreement of exceptional circumstances outlined below.
* **Exceptional Circumstances / Financial Difficulty** – Within the Schools Block for primary and secondary maintained schools, there is an ‘Exceptional Costs and Schools in Financial Difficulty’ provision, which enables additional support to be allocated to individual maintained schools in certain circumstances and following agreed criteria. The two most common reasons for allocating additional support are where a school incurs additional costs following a growth in pupil numbers after the October census has been taken and the cost of HR investigation processes in smaller schools. In all circumstances, a school’s case for support is based on an assessment of both the cost pressure faced by the school and the school’s financial position, which is measured against set criteria. Allocations to schools are then calculated on an actual cost pressure basis, rather than using a set formula. We also have exceptional circumstances criteria within the Early Years Single Funding Formula, which in particular allows additional funding to be allocated where a setting increases its numbers after the census for that term has been taken and where a setting has to incur substantial additional costs to enhance its provision to meet this intake.

As the funding for high needs providers is recalculated on a monthly basis, some of the issues that arise for early years, primary and secondary settings as a result of changes in pupil numbers during the year are not present. However, the Authority does come across issues in the timing of placements against the 10th of each month and is also approached by settings asking for consideration of exceptional circumstances. As a result of this, to ensure that there is transparency and consistency in the way all funding is allocated, we propose to adopt a more formal Exceptional Circumstances / Financial Difficulty mechanism within the High Needs Funding Model. This will be a new setting-based factor within the calculation of the Plus element. It is proposed that this mechanism will be the same as that basically applied to primary and secondary schools. We would expect that this mechanism would be applied only to stand-alone maintained or academy high needs providers in Bradford or to resourced provisions attached to mainstream maintained schools or academies in Bradford, where Bradford is the main funder of high needs provision, rather than to other settings where the funding allocated from Bradford is only a very small part of their overall resources.

The purpose of the mechanism will be to provide additional support in the following circumstances:

* + Following exceptional growth in high needs pupil numbers, or changes in levels of need of pupils, that has resulted in substantial cost pressure that is not met within the normal working of Bradford’s High Needs Funding Model
	+ Where the cost of external HR investigations places the setting in financial difficulty i.e. would reduce the forecasted carry forward balance below £20,000 \*
	+ Priority 1 schools, where additional intervention / support is required as recommended by SIG / SSMG and where the school’s budget cannot meet the costs without placing the school in financial difficulty i.e. would reduce the forecasted carry forward balance below £20,000 \*
	+ Local Authority Statutory interventions in schools e.g. costs of an IEB
	+ Any other circumstance, where the exceptional nature of this is agreed by the Schools Forum and where to not provide financial support would place the setting in a financially difficult position that it is likely to have a detrimental impact on the quality of provision \*

\* £20,000 is a reasonable safety net to apply for all schools i.e. a school with £20,000 holds adequate reserve to meet additional unexpected costs.

The proposed criteria for allocating funding are as follows:

* + Whether Bradford is the main funder of the setting i.e. the extent of responsibility that should fall to Bradford’s DSG
	+ The extent of additional cost pressure faced by the setting. This is assessed on the information provided by the setting on what action has been needed to meet the needs of high needs pupils
	+ The extent to which these circumstances are or have been managed by other settings, without recourse to additional funds i.e. are these circumstances truly exceptional?
	+ The impact on the quality of provision should exceptional funding not be allocated
	+ Whether the circumstances that have arisen have been beyond the control of the setting
	+ The extent to which this is a one off or on-going issue (and has this circumstance arisen before and if so, how is this now different)
	+ The setting’s carry forward balances position
	+ The change in the setting’s expenditure shown in the Start Budget vs. Q1 vs. Q2 vs. Q3 monitoring reports
	+ The Priority category of the School (is the school in Priority 1?)
	+ Whether the school has received financial support or funding from elsewhere

If agreed, funding would be allocated on an actual cost pressure basis.

7.3 Please note the following additional adjustments to the funding model in 2015/16 that are not subject to consultation:

* The One Off Funding factor, explained in paragraph 4.15, will automatically cease in 2015/16 unless the Schools Forum allocates a further sum to high needs providers from one off monies. This will not be confirmed until February 2015.
* The funding of safeguarded salaries for maintained special schools has now ceased. 2015/16 is the final year of reimbursements of excess travel payments.
* The rates factor for PRUs will now only fund the cost of rates in the current year (the element in the 2014/15 model that reimbursed the PRUs for the costs not funded in 2013/14 will be automatically removed).
* The Minimum Funding Guarantee and Cash Budget Protection factors will be re-calculated to protect the position against 2014/15 final full year allocations, once these are known at the end of March 2015.

**Question 3: Do you agree with the proposal to continue to use the existing Ranges Model (as shown in Appendix 2) to calculate the ‘Plus’ funding element for Early Years to Year 11 placements for the full 2015/16 financial year and for post-16 placements up to August 2015? If not, please explain why not.**

**Question 4: Do you agree with the incremental changes to the existing funding model for 2015/16, as outlined in paragraph 7.2 above? If not, please outline which changes you do not agree with and the reasons why you do not agree.**

**Question 5: Would you support an increase in the value of the SEN Funding Floor for primary schools and academies in 2015/16, subject to this being affordable? If not, please explain why not.**

**Question 6: Are there any further changes that you would wish to see made to the funding model in 2015/16? Please give details.**

**Question 7: Is there anything that you would like the review of the funding of Post 16 provision to include or do you have any specific comments about this review? Please give details.**

**Question 8 – Do you have any other comments on the funding model that you have not recorded elsewhere?**

**8. Surplus Balances Protocol for Maintained High Needs Providers**

8.1 The Authority, with the agreement of the Schools Forum, implemented a new Surplus Balances Protocol for maintained schools at 31 March 2014. Maintained stand-alone high needs providers (Special schools and PRUs) are permitted to carry forward revenue balances up to 6% of funding or £60,000 (whichever is larger) before being required to assign balances to specific restricted schemes.

8.2 High needs providers have asked the Authority to consider re-shaping the restrictions of the Protocol to help them manage more effectively the additional difficulties brought about by the monthly redetermination of funding, in support of protecting against the impact on standards of sudden losses in funding or having to make regular significant adjustments to staffing complements. In response, it is proposed that the Surplus Balances Protocol is amended slightly for 31 March 2015 to allow stand-alone high needs providers (Special schools and the PRUs) to hold:

The larger of

£60,000 or 6% of funding (as per the normal existing calculation)

OR

85% (i.e. the staffing cost) of 1 month’s average payment + £20,000 minimum reserve.

Following feedback from this consultation, this proposal will be presented to the Council’s Executive for final decision.

**Question 9: Do you agree with proposed amendment to the Surplus Balances Protocol for maintained stand-alone high needs providers? If not, please explain why not.**

**9. Consultation Responses**

9.1 Please use the responses form Appendix 3 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 1 December 2014**.

**10. Next Steps**

10.1 The Schools Forum will make final recommendations on the approach to the funding of high needs provision for the 2015/16 financial year on 7 January 2015. 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 2015/16 has been confirmed.

10.2 Subject to the agreement of the Council’s Executive Committee, the recommended approach will be used to allocate DSG funding from 1 April 2015.

10.3 We are awaiting further information from the DfE on the root and branch review of high needs funding arrangements and on the further development / timetable for implementation of national funding formulae for early years and primary and secondary provisions. 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 2015 as announcements are made.

**11. Appendices**

Appendix 1 The DSG Reviews Matrix 2014

Appendix 2 The 7 Ranges Model

Appendix 3 Consultation Responses Form

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | **Appendix 2** |
|  |  |  |  |  |  |  |  |  |  |  |
|  | **HIGH NEEDS PROVISION: FUNDING CATEGORIES, BANDS & AMOUNTS 2014/15 \*** |
|  |  |  |  |  |  |  |  |  |  |  |
|  | **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** |  |  |  |  |

\* Values excluding any allocation of one off monies

**RESPONSES FORM**

**Consultation on Funding High Needs Provision 2015/16**

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

**THE DEADLINE FOR RESPONSES TO THIS CONSULTATION IS MONDAY 1 DECEMBER 2014**

Please send completed questionnaire responses to:

School Funding Team

City of Bradford Metropolitan District Council

Future House

Bolling Road

Bradford

BD4 7EB

Tel: 01274 385702

Fax: 01274 385695

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 the 2015/16 academic year?**

**Question 2: Do you have any comments on the conclusions that have been reached following the review of the current funding model? Do you have anything to add?**

**Question 3: Do you agree with the proposal to continue to use the existing Ranges Model (as shown in Appendix 2) to calculate the ‘Plus’ funding element for Early Years to Year 11 placements for the full 2015/16 financial year and for post-16 placements up to August 2015? If not, please explain why not.**

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

If not, please provide further explanation here:

**Question 4: Do you agree with the incremental changes to the existing funding model for 2015/16, as outlined in paragraph 7.2 above? 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 5: Would you support an increase in the value of the SEN Funding Floor for primary schools and academies in 2015/16, subject to this being affordable? If not, please explain why not.**

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

If not, please provide further explanation here:

**Question 6: Are there any further changes that you would wish to see made to the funding model in 2015/16? Please give details.**

**Question 7: Is there anything that you would like the review of the funding of Post 16 provision to include or do you have any specific comments about this review? Please give details.**

**Question 8 – Do you have any other comments on the funding model that you have not recorded elsewhere?**

**Question 9: Do you agree with proposed amendment to the Surplus Balances Protocol for maintained stand-alone high needs providers? If not, please explain why not.**

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

If not, please provide further explanation here:

**Strongly Agree [ ]  On Balance Agree [ ]  Strongly Disagree [ ]**