

Schools Forum High Needs Sub Group

Schools Forum

Task Group Report

Task Group Members

Jon Sharpe	Headteacher	Brent Knoll
Lynn Haines	Headteacher	Greenvale
Ruth Holden	Headteacher	Bonus Pastor
Steve Davis	Executive Headteacher	Coopers Lane and Launcelot Federation
Declan Jones	Principal	Haberdashers' Aske's Federation Knights Academy
Liz Jones	Headteacher	Abbey Manor College

Officer Support

Ian Smith	Director Of Children Social Care
Keith Martin	Children With Complex Needs Service Manager
Alan Docksey	Head Of Resources, CYP
Dave Richards	Finance Manger

1 Recommendations

- 1.1 That the Schools Forum:-
- i) Agree to the merger of the special schools funding rates except for New Woodland's Special School whose funding rates should be frozen at the 2013/14 level until a fuller investigation is undertaken.
 - ii) Notes the comments on the reaffirmation of the long term high needs pupils strategy and endorses the plan of work for the next year.
 - iii) Agrees to reduce the top-up level of matrix funding by £6,000
 - iv) Agrees to protect schools from the full loss by adding back £4,800
 - v) Agrees that the protection level is provisional and will change when the level of Dedicated School Grant is confirmed.
 - vi) Agrees to the continued reduction in the protection level in future years.

2 Background

- 2.1 The Task Group was set up by the Schools Forum to review the costs of funding high needs pupils. Specifically the group were asked to reduce the on-going costs of the high needs pupils by £0.5m in 2014/15 and £2m in 2015/16. This was to ensure that the level of funding support provided to schools was affordable. The group has met on a monthly basis over the past six months. The group was supported by a number of Local Authority officers.
- 2.2 The specific issues members were asked to consider were
- Funding alignment and capacity of resource bases
 - Funding alignment and capacity Special schools
 - Capacity needs of assessment and intervention providers
 - Funding levels of Education, Health and Care plans and matrix funding
 - Review the funding of post 16 places to assess the level of needs and resources.
 - Review of centrally managed items including former headroom funded projects and service level agreements with schools
 - Alignment of top up rates across the borough
 - Assess the potential alignment of rates with our surrounding neighbours
- 2.3 With an interim report in December 2013 and a full a final report in December 2014.

3. Long Term Strategy On High Needs Pupils

- 3.1 Current forecasts show that the overspend in funding is unlikely to be a short term problem but rather a longer term issue, especially as the current capacity of maintained special schools to take pupils has virtually been reached. While there is small surplus in capacity in primary resource bases the age profile of the pupils is such that the ability to provide this level of provision is not available as these pupils reach secondary age over the coming few years. Further problems are expected due to the expanding pupil population and the consequential increase in pupils with high needs.
- 3.2 The current SEN strategy was put in place in 2007 under the banner of Strengthening Specialist Provision for Children with Special Educational Needs and this created the momentum to drive forward the development of resource bases and changes to special school provision. The report originally looked at projections and needs up to 2015/16. The major milestones of the programme – creation of Drumbeat, resource bases and support services for children with high needs in mainstream settings – have been delivered. The Working Group felt however that a renewed focus was required to drive development of capacity over the next 5 years.
- 3.3 The timetable at the end of document gives a broad outline of the tasks involved and when they can be considered.

4. Special Schools Funding

- 4.1 Under the new funding regulations each special school's budget for 2013/14 was set so that its funding was initially protected at the 2012/13 level. The funding system operates by giving each special school £10,000 for a place commissioned prior to the start of the year. This is regardless of the number of pupils within the special school. For each pupil who attends the school during the year an additional sum or top-up is given. If the school is not full this does mean that a school will have a budget that is lower than their budget for 2012/13. The top-up rates are based on a band of need that the pupil is judged to have. It is this top-up rate that varies for each school. This variation arose to ensure that the schools budget was protected to the 2012/13 budget levels. These tops up are shown in the table below:

**Schools Forum
Item 3 High Needs Sub group Report
Appendix A**

Table 4.1

	Brent Knoll School	Greenvale School	Drumbeat School	New Woodlands School	Watergate School	Merged rate
	£	£	£	£	£	£
MLD1	-	-	-	-	-	-
MLD2, SLD1, ASD1, BESD1	3,094	3,113	3,041	4,294	3,167	3,104
SLCN Cog	4,932	-	-	-	5,049	4,991
HI/VI1, Med/Phys + Cog	6,621	-	-	-	-	6,621
SLD2, ASD2, BESD2	7,380	7,422	7,251	10,241	7,554	7,402
PMLD1, SLD3 - Aut/BEHR	-	19,053	-	-	19,390	19,222
HI/VI2	18,344	-	-	-	-	18,344
PMLD2 Hi Care	-	23,191	-	-	23,601	23,396
SLD4, SLD Hi Care, ASD3	28,640	28,806	28,141	-	29,316	28,726

Key of abbreviations

ASD	Autistic Spectrum Disorders
MLD	Moderate Learning Difficulties
SLD	Severe Learning Difficulties
BESD	Behavioural Emotional And Social Difficulties
SLCN	Speech, Language & Communication Needs
HI	Hearing Impaired
VI	Visually Impaired
PMLD	Profound And Multiple Learning Disabilities

4.2 MLD1 – This does not have a top up rate as the base fund of £10k covers the costs assessed.

Some boxes are blank as the schools concerned do not have pupils within these bands.

4.3 Going forward it is inappropriate that there is funding variation between schools for the same need. The sub-group has agreed that rates

Schools Forum
Item 3 High Needs Sub group Report
Appendix A

should be merged to create a single rate for each need. The impact of this is set out in Table 4.2

- 4.4 The differentials between these funding rates are small in percentage terms apart for one school – New Woodlands.

Table 4.2

School	Totals	Change	%
	£	£	
Brent Knoll School	2,922,676	4,265	0.1%
Greenvale School	2,937,435	5,671	0.2%
Drumbeat School	4,228,394	55,686	1.3%
New Woodlands School	2,171,840	-291,584	-13.4%
Watergate School	3,075,627	-33,406	-1.1%
	15,335,972	-259,368	-1.7%

Note:- These figures exclude all Service Level Agreements with the school to provide Outreach Services.

- 4.5 The changes in funding are relatively minor apart from New Woodlands and it is recommended to go ahead with the merger but allow for New Woodlands to have a protected school budget (excluding the Outreach service level agreement) at this year's levels while a review is conducted over the next 12 months. The review should consider the needs of the pupils within the school and whether the current funding rate is appropriate. The review will cover all the sources of the school's funding including the charges being made to other schools and the service level agreement on outreach work.
- 4.6 Further consideration needs to be given to the bandings. In the table above it can be seen that in the special school sector there are usually three banding levels for each need and there are considerable differences in funding for each of these levels. For example a band 1 ASD attracts £3,041, a band 2 £7,251 and a band 3 £28,141. While these are large differences currently there is no evidence to say that these differentials are still valid. Initial discussions with schools indicate that there is a difficulty in deciding which bandings pupils exactly fall in and the local authority, as commissioner of the places, needs processes in place to ensure that these band allocations are correct. To undertake a full analysis of the bands and if appropriate design new bands and then allocate each pupil to them would take time. It would not be practicable to do this before the start of the financial year. It is proposed that the review forms part of the report for next December.
- 4.7 Comparisons were made with other maintained special school funding rates in nearby Local Authorities. It would appear in some areas where the needs of the children are similar the funding rates were similar. It

was more difficult to tell with the children who had high end needs particularly in ASD and BESD settings. The initial view was that data available may not provide like for like comparisons and further work is needed in this area.

5. Resource Bases

- 5.1 The resource bases operate on a similar funding methodology to Special Schools. There is an upfront payment of £10,000 for each place commissioned by the Local Authority prior to the start of the year. This is then topped up on the basis of the number of places within the unit that are filled. This is on a real time basis so that if a pupil leaves only top-up funding is removed. Current top-up funding rates are very different for children in resources bases and those with the same needs in special schools. This is partly attributable to the fact that start-up costs and expansion costs are built into the current funding rates for recently opened provision. The top up rates are more meaningful if all these adjustments are stripped out. The underlying rates are shown below.

Resource base top up (when unit full)		£
Rushey Green Primary School	HI	7,649
Deptford Green School	Dyslexia	7,877
Conisborough College	Learning Difficulty	8,058
Tidemill Primary School	Speech and Language	8,600
Kilmorie Primary School	Complex Needs	9,722
Torridon Infants/Juniors	ASD	10,726
Athelney Primary School	ASD	10,726
Kelvin Grove	ASD	10,726
Cooper's Lane Primary School	Total Communication	10,863
Sedgehill School	Total Communication	11,087
Addey and Stanhope School	Speech and Language	11,389
Bonus Pastor	Speech and Language	11,389
Perrymount Primary School	Complex Physical & Medical Needs	12,934

- 5.2 This does raise a number of questions and in particular how these rates fit in with the special school rates. In theory, you would expect lower funding rates in the resource base as the needs of the pupil should be lower. In practice this may not be the case due to diseconomies of scale, as most resource bases are small and hence the management costs of the unit are spread over fewer children making the cost per pupil proportionally higher. Management costs are higher as resource bases have been seen as discrete operations within their school.

Schools Forum
Item 3 High Needs Sub group Report
Appendix A

5.3 It was felt that while special school rates could be merged (subject to the exception of New Woodlands) at this point in time it was too early to link the funding rates for resource bases to those for special schools. This does need to be looked at next year.

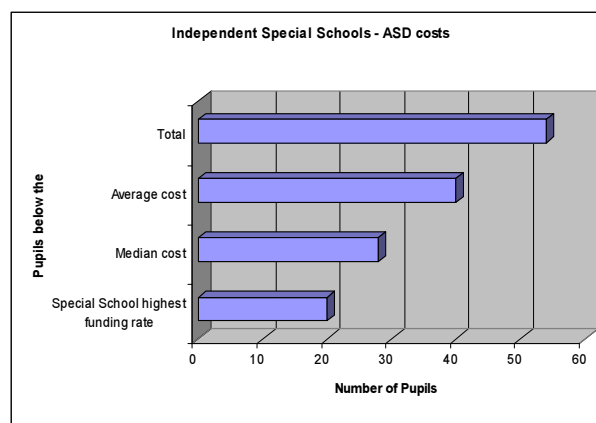
6. Independent Special School Fees

6.1 The current budget for independent special schools places is forecast to overspend by £1m and is clearly a source of one of the main cost pressures. This is a consequence of having an extra 10 children placed in this sector from April. The ability to manage this down is limited in terms of making managed moves for the pupils concerned into lower cost placements. That is not to say work does not need to be undertaken to see if through better commissioning costs can be reduced and better quality assurance of the independent schools made. The current needs of children in this sector are as follows.

Table 6.1

Range Of Fees			No Of Pupils	New cases since Dec 2012
Primary Need	Minimum Fee (£)	Maximum Fee (£)		
ASD	6,488	267,000	54	14
BESD	18,895	165,000	23	8
MLD	22,822	111,000	4	0
PMLD	48,069	154,000	4	0
SLCN	6,994	71,000	14	5

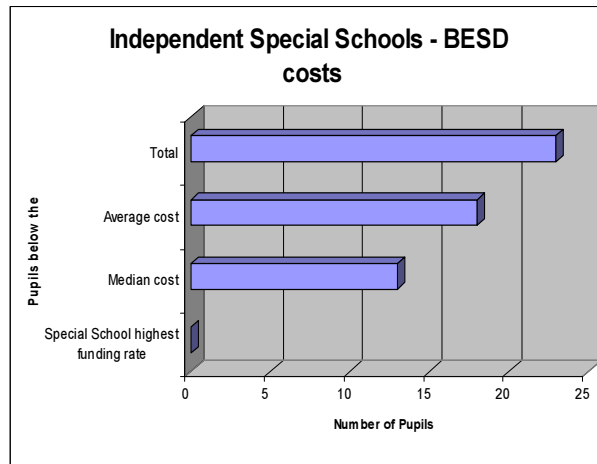
6.2 The far right-hand column of table 6.1 shows the placements by needs since December 2012. This identifies where the shortfalls are. The graphs below show the average and median costs together with the maintained special schools funding rates. It then provides the number of pupils within these levels.



Autistic Spectrum Disorders

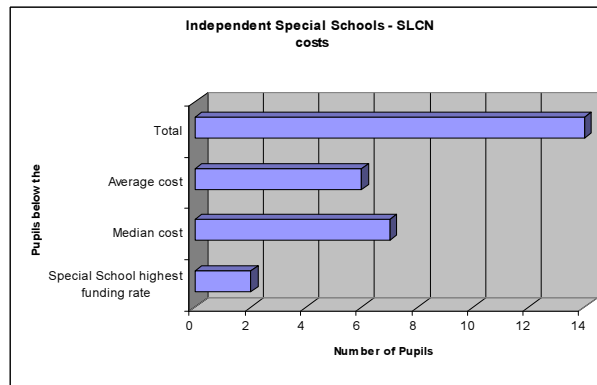
Schools Forum
Item 3 High Needs Sub group Report
Appendix A

Highest special school funding rate	£38,000
Median cost of placements	£43,000
Average cost of placements	£53,000
Highest placement cost	£266,000



Behavioural Emotional And Social Difficulties

Highest special school funding rate	£16,000
Median cost of placements	£45,000
Average cost of placements	£57,000
Highest placement cost	£165,000



Speech, Language & Communication Needs

Highest special school funding rate	£15,000
Median cost of placements	£40,000
Average cost of placements	£37,000
Highest placement cost	£71,000

6.3 From this analysis a number of issues arise that need to be considered in the future

- 1) The long term capacity issues of in-house provision need to be considered.
- 2) A review as to why tribunals are selecting the schools in the independent sector and the processes to be adopted by the local authority at tribunals.
- 3) In presenting the information to tribunals it is necessary to have a better understanding of the full local offer and support made by schools so clarity can be provided about the support that can be given to a high needs pupils.

7. Matrix Funding

7.1 The mainstream school funding for pupils having high needs is complex, with a variety of different sources. Some of which is more specifically identified than others. The sources of funding can include:

- Schools budget
- Collaborative funding
- Matrix funding

7.2 Schools Budget

7.2.1 The national funding reforms have been predicated on the basis that schools should be making a contribution of up to £6,000 for a high needs pupil from the school's budget. This figure is based on national averages of high needs funding following a report by PriceWaterhouseCoopers for the DFE. There is no specific element within the funding formula that determines the £6,000.

7.2.2 The first analysis was to consider this £6,000 and then to look at the matrix levels funding to see if there was an element of double funding that still existed.

7.2.3 The funding sources within the formula that make up the £6,000 are as follows:

- Primary FSM Ever 6
- Secondary FSM Ever 6
- Primary IDACI
- Secondary IDACI
- Foundation Stage Profile
- Key Stage 2 Results
- Primary Mobility
- Secondary Mobility

7.2.4 When considering this, some of the above funding should be applied to those pupils with needs lower than the current level of matrix 6, which would likely be pupils who are at School Action or at School Action Plus. The needs of these pupils, the funding available and the actual spend by schools for these pupils is an area that needs greater understanding. For the purposes of this analysis the pupils have been allocated funding in these ratios:

School Action	0.5
School Action Plus	0.66
Statemented Pupils	1.00

7.2.5 The current draft of the new SEN Code of Practice which is now being consulted on, proposes to merge the two current categories of 'School

Schools Forum
Item 3 High Needs Sub group Report
Appendix A

Action' and 'School Action Plus' into one category 'Additional SEN Support'

7.2.6 In coming up with these ratio's there is an element of subjective judgement. Not all pupils on school action will have spent on them exactly half that of statement child however it was thought to be around the correct funding level.

7.2.7 This results in the following allocation

Type of school	Average
Primary Schools	£6,129
Secondary Schools	£6,801

7.2.8 It would be misleading to indicate that all schools had this level of funding for each of their high needs pupils as the £6,000 quoted is an assumed average. The ranges for primary schools are from £1,870 to £15,400 and for secondary schools £3,300 to £14,500 and reflect social deprivation led funding and numbers of statements.

7.2.9 These ranges are created by the way the current funding is operated. The formula has various factors that reflect SEN and deprivation within a school. In the more affluent areas of Lewisham say around Blackheath, proportionately, schools receive lower levels of support through their budget for SEN and deprivation. If these schools still have a high number of statements then on average they receive a lower level of funding per pupil. Conversely, the opposite happens in the most deprived areas around say New Cross.

7.2.10 The detailed calculations that this is based on are shown in Appendix B to this report.

7.3 Matrix Funding

7.3.1 In addition, the matrix funding acts as a top-up to the £6,000. This funding does not form part of the funding formula but is allocated to schools on the basis of the number of statements the school has and the level of the pupils' needs. The funding for this is given to schools on a real time basis. If a pupil with a statement leaves the school then the funding is removed. Conversely if a pupil with a statement joins the school the appropriate level of funding is given to the school.

7.3.2 The level of funding depends on the Matrix level which relates to the needs stated within the statement. The funding levels are shown in the table below.

Table 7.2

MAINTAINED SCHOOLS AND ACADEMIES TOP UP				
Matix level		LSA hrs per week	Pre 16	Post 16
Below 19 hours of additional support through the collaborative funding and the school budget share	3	7.0		
	4	10.0		
	5	16.0		
	6	19.0	£10,859	£9,882
	7	22.5	£12,859	£11,882
	8	27.5	£15,717	£14,740
	9	32.5	£18,574	£17,597
	10	35.0	£20,003	£19,026

7.3.3 For those pupils below level 6 no funding is given in this way. Support is funded through the school's budget and through collaborative funding.

7.3.4 The matrix top up levels for the surrounding Local Authorities are as follows:

	25
	Hours
	£
Greenwich	£7,082
Southwark	£12,715
Bexley	£6,512
Bromley	£12,220
Lewisham	£14,288

7.4 Collaborative Funding

7.4.1 As detailed above, this funding is for pupils with low needs special educational needs, determined as being below matrix level 6. The funding forms part of the Dedicated Schools Grant and is allocated to each collaborative based on a formula. This formula is made up of free school meals eligibility, prior attainment, mobility and pupil numbers. The total amount of the funding across Lewisham is £1.8m, the individual allocations are shown in Appendix B to this report.

7.4.2 It could be argued that the support provided by the collaborative funding should be included in the calculations of the £6,000. The original intention of the funding was to support low need, high

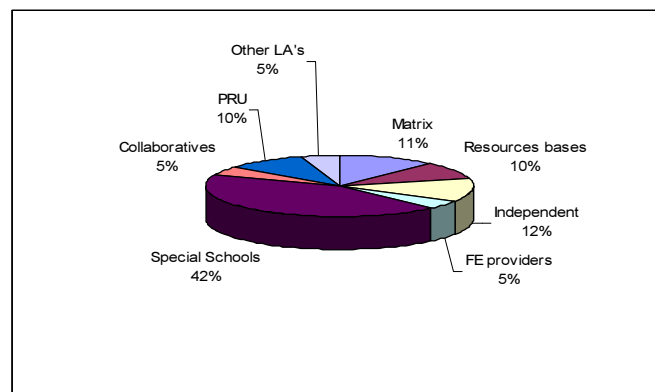
Schools Forum
Item 3 High Needs Sub group Report
Appendix A

incidence statements and therefore should be targeted at children on school action and school action plus.

- 7.4.3 The collaboratives generally use this funding in two ways; they either pass it to the schools within the collaborative on the same basis as the formula allocation or they use the funding to employ specialists such as speech therapists, which are then used by the schools across the collaborative. At the moment there is no proposal to change this funding; it will be subject to review over the next 12 months. The review will look at the way some collaboratives utilise their funding in order to promote and share good practice.

7.5 Matrix Funding Proposals

- 7.5.1 By its nature, the high needs funding block is a limited resource. The funding cake is not growing, so if extra funding is needed through budget pressures in one element, it has to come from another. The cake is currently split in the following way.



- 7.5.2 For a pupil with a statement which funds a full time learning support assistant (deemed as 38 weeks for 27.5 hours per week) the matrix funding is £15,720. Taken with the above £6,000, this provides total funding support of £21,720. This equates to an hourly rate of pay of £21.70.
- 7.5.3 The actual cost of employing a Learning Support Assistant for 38 weeks and 27.5 hours per week is £17,000 on average. This could be evidence of an element of excessive funding.
- 7.5.4 In some cases, schools are providing extra support over and above the hours stated in the statement. For example, to provide support during breakfast clubs and lunchtimes.
- 7.5.5 In order to ascertain whether there is any element of excess funding it would be helpful to see the actual spend by schools for high needs pupils. Unfortunately, there is currently a lack of evidence across all schools for this, but this could be covered if the local offer from each school was available. Over the coming year it is planned to undertake

Schools Forum
Item 3 High Needs Sub group Report
Appendix A

an audit working with a selection of schools to gain a better understanding of the spending for all pupils with high needs SEN.

7.5.6 The funding problems faced need to be addressed now. The current proposal is to take a proportion of the matrix top-up to do this.

7.5.7 The consequences of removing £6,000 from the matrix top-up are shown in Appendix A. The sum released is £2.5m. The predicted shortfall next year is £500k but grows to £2,000k in 2015/16

7.5.8 The losses range as follows

Range of Loss	Primary	Secondary	All Through	Academies
£0 – £10k	19			
£11k – £20k	17			1
£21k – £30k	17			
£31k – £40k	9			
£41k - £50k	4	1		
£51k - £60k	2	1	1	
£60k - £100k		4	2	1
£101k - £150k		1		
£151k - £200k		1		1

7.5.9 The size of these losses are such that a school would need some time to plan for the consequences and deliver the savings if huge turbulence in school funding is to be avoided. The only practical way for a school to downsize would be at the end of the academic year. As a consequence, only a part year saving would be achieved and this makes the changes difficult to achieve in the first year.

A number of ways of protecting school budgets were looked at.

- a) The first option considered, reduced the top-up by the full £6,000 and then provided transitional protection in the form of an amount per statement. The protection is funded from the sum released over and above the shortfall in the funding of the DSG. This would also allow the funding to be adjusted in the future in relation to the cost pressures.
- b) The other option considered took the full £6,000 away but protected the school so that they did not lose more than a set percentage of their budget.

7.5.10 The preferred option of the group was the former; taking away the £6,000 and adding back a set sum per statement.

7.5.11 The rationale behind this

- All high needs pupils were funded in a consistent way

Schools Forum
Item 3 High Needs Sub group Report
Appendix A

- There was no differential funding rates for new high needs pupils
- It would help schools predict future years budget

7.5.12 The revised protection plan to deliver savings of £500k is shown in Appendix A and is based on £4,800 being added back to each matrix pupil above level 5. This figure may need to be adjusted to reflect the settlement figures from the DFE. While there is expected to be a funding announcement on the 17th December 2013, Local Authorities are not expecting to hear the final high needs element of the DSG until the end of March 2014.

8. Funding Levels Of Education, Health And Care Plans And Matrix Funding

8.1 While the Education, Health and Care Plans are different from the existing Statements, the funding requirements to be met by the local Authority will stay the same but will be more clearly described in the plan so there is better transparency for all.

9. The Funding Of Post 16 Places To Assess The Level Of Needs And Resources

9.1 Dialogue has been on-going with providers, however with this current academic year being the first that the funding for FE providers is the responsibility of local authorities, it was felt better to consider these next year when the new system had more time to bed in and the full implications of the numbers and funding was known.

Schools Forum High Needs Sub Group Action Plan

Objective	Action	Outcome	Person Responsible	Sub group role	Success Measurement	Timescale	Status
Develop A SEND Strategy	LA to work in partnership with key stakeholders to develop a SEND Strategy that builds on the work of the SEND Pathfinder and the previous Strengthening Specialist Provision Strategy 2007 – 2013	To continue to improve the outcomes for children with special educational needs and disabilities	Keith Martin	To be consulted	SEND Strategy is completed and integrated across Schools, Social Care and Health To be accurately predicting through flow of numbers of children with SEND within Lewisham schools	Completion by September 2014 in line with Statute for Children and Families Act 2014	Green
To Continue The Development Of Specialist Resourced Provision.	LA to work in partnership with Specialist Resource Provision and schools to	Children with SEND receive appropriate support within local schools to enable them to	Keith Martin / Caroline Doyle	To advise on the LA proposals	Appropriate educational attainment is met for each individual child and measured	Ongoing	Green

**Schools Forum
Item 3 High Needs Sub group Report
Appendix A**

	define roles, responsibilities and expectations to ensure that the needs of children with SEND are met	maximise their potential			through their annual review.		
	Develop and implement policy guidance in relation to Specialist Resource Provision	Transparency and greater clarity concerning the role, responsibilities and expectations of Special Resourced Provisions and the LA	Keith Martin / Caroline Doyle		Policy guidance is completed and integrated into working practice across all Specialist Resource Provision.	February 2014	Green
Review Current Banding Structure	LA to work with Schools to review the current banding structure and to put in place a new structure	An appropriate banding structure is implemented that is consistently applied across the LA and all schools, that	Keith Martin / Dave Richards	To advise and help shape recommendation to Forum	New Banding structure is implemented. Lewisham Schools are able to meet the needs of children with	Fiscal year 14/15	Green

**Schools Forum
Item 3 High Needs Sub group Report
Appendix A**

		will enable schools to receive the appropriate level of funding to be able to meet the needs of individual children with SEND			SEND with the finances available within the banding.		
Review Commissioning Of Independent School Provision	LA to undertake a business case analysis (this will include consultation with neighbouring authorities) to establish the potential to develop a commissioning strategy or Preferred Provider Framework for ISP's	Reduction in costs of ISP's	Keith Martin / Caroline Doyle	To advise and help shape recommendation to Forum	Reduced spend within the Out of Borough Placement Budget	September 2014	Green

**Schools Forum
Item 3 High Needs Sub group Report
Appendix A**

Review Current SEN Policy And Procedures	LA to review and implement new policy and procedure in line with the Children and Families Act 2014 and the subsequent Code of Practice, including SENDIST.	Providers, Families and staff have greater clarity and transparency concerning process and policy implementation within the SEN Team	Keith Martin / Caroline Doyle	To advise and help shape recommendation to Forum	Reduction in complaints and SEN Tribunals (SENDIST)	April 2014	Green
Audit Of SEN Spend	To undertake a review of the total SEN spend to establish how this resource is being used to meet the needs of children with SEND	Establish transparency across the LA and schools in relation to how the Dedicated Schools Grant is meeting the needs of children with SEND	Keith Martin / Dave Richards	To analyse and support	That we achieve zero overspend against the Dedicated Schools Grant	December 2014	Green