

Response ID ANON-2CXQ-12J5-Z

Submitted to **High needs funding reform - stage 2**

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Introduction

A What is your name?

Name:

Angela Whitehead

B What is your email address?

Email:

Angela.Whitehead@northumberland.gov.uk

C Response type

Please select your role from the list below::

Local authority representative

Please select your organisation type from the list below::

Local authority

Organisation name::

Northumberland County Council

Local authority area::

Northumberland

D Would you like your response to be confidential?

No

Reason for confidentiality::

Page 2 - overall approach

1 In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

No

Please explain your reasoning and any further evidence we should take into account::

No, the statistics mainly generate funding for 4-18. Cost pressures for 0-4 and 19-25 are not fully accounted for. There should be an additional factors that take into account pre-school and post 19-25 High Needs funded learners. The number of 19-25 learners will increase exponentially in coming years due to EHCP 0-25 entitlement.

A simple measure for 19-25 years could be the number of SEN Statements and specialist provision placements applied to that year group when they were in Year 11 some years before. Of course, mobility factors do apply, but we would suggest the most disabled group are the least mobile. This allocation could be adjusted in time as EHc Plans feed through from Year 14 onwards.

The DfE clarification in February 2017 goes some way to mitigate the issue of post-19 entitlement: it confirms there is no general expectation that EHC Plans (and therefore High Needs Block funding) will continue after age 18-19 years.

We believe the issue of High Needs funding for adult learners should be removed entirely from High Needs Block and delivered by the Skills Funding Agency.

The LA also agrees with the F40 response

Page 3 - formula factors

2 Do you agree with the following proposals?

To distribute 50% of the planned spending baseline on the basis of historic spending - Historic spend factor - To allocate to each local authority a sum equal to 50% of its planned spending baseline:

The proportion is about right

Please explain your reasoning and any further evidence we should take into account::

Historic spend factor does provide an element of stability but does not respond to changes to high needs population. The redistribution from high-funded to low-funded local authorities is limited, and one of barriers is historic spend as it does not recognise the limited spend that was possible by low-funded areas. If more funding was available the historic spend would have been higher and protected at a higher level.

Conversely, local authorities with high historic spend will want to preserve any privileged position.

The LA also agrees with the F40 response

Basic entitlement - To allocate to each local authority £4,000 per pupil - Basic entitlement - To allocate to each local authority £4,000 per pupil:

Allocate a higher amount

Please explain your reasoning and any further evidence we should take into account::

The basic entitlement should be set at £10k per pupil to reflect the current costs of those pupils already in Special School provision.

We strongly disagree with the Department's view that setting the value at £10k creates a perverse incentive in the funding system for local authorities to place a higher proportion of their children and young people with special educational needs (SEN) and disabilities in special schools.

Setting the figure at £4k penalises those authorities that have already invested heavily in on-house special school provision to meet the needs of their local children.

3 We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

Population – 50% - Population – 50%:

Allocate a higher proportion

Please explain your reasoning and any further evidence we should take into account::

Measures which are 'live' annually adjusted figures are fairer, because they describe changing population and needs. Measures such as IDACI and Bad Health are taken every 5 - 10 years, so do not represent local need, in a rapidly changing population. Over the years authorities have looked at many different data sources for distributing High Needs funding and 'pupil population' is the one that we consistently return to as a fair and reasonable basis for distributing funding. This is because it has a high correlation with overall need at local authority level. Therefore, we fully support the inclusion of this factor in the High Needs formula, but we would like to see a much larger weighting applied to this factor.

Historically, at a local level, we have found examples of using proxy indicators to identify High Needs pupils problematic so it's vitally important that the correct indicators and weightings are applied.

Population measures are strong to 18 years, and then problematic as explained in Q1 above for post-18 years.

The LA also agrees with the F40 response

Free school meals (FSM) eligibility – 10% - Free school meals (FSM) eligibility – 10%:

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account::

We have concerns about the use of this factor and, in particular, about potential turbulence in the data from one year to the next. Therefore we believe that if the Department is to include this factor, it should allocate a lower proportion of the total available funding. This view is supported by our answer to Question 3 above regarding the use of the 'pupil population'.

We also question whether the inclusion of this factor in the High Needs National Funding Formula as well as the Schools National Funding Formula results in a degree of duplicate funding across the entire schools funding system. other part of the country.

The free school meals indicator should be increased if improved in one essential way: the general entitlement to FSM in younger age groups disguises the true level of entitlement, so the calculation should be made against those who have the qualifying status or benefits, rather than those in receipt of FSM.

The LA also agrees with the F40 response

Income deprivation affecting children index (IDACI) – 10% - Income deprivation affecting children index (IDACI) – 10%:

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account::

Measures which are 'live' annually adjusted figures are fairer, because they describe changing population and needs. Measures such as IDACI and Bad Health are taken every 5 - 10 years, so do not represent local need, in a rapidly changing population. The Bad Health and DLA indicators should be lower, unless annual live data can be produced. The recent adjustments to IDACI calculations, particularly in bands 5 and 6, have produced local reductions in entitlement which have not been applied equally in other part of the country.

The LA also agrees with the F40 response

Key stage 2 low attainment – 7.5% - Key stage 2 low attainment – 7.5%:

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account::

The KS2 and 4 low attainment factors are welcome, but the exclusion of a KS1 indicator means the weighting omits a large group who are key beneficiaries of High Needs funding. Across the country there are increasing patterns of need in pre-school and Primary, which should help define funding allocations.

There are some high-cost populations missing from these indicators. This includes learners who are educated not in a school for reasons of health or parental choice. The costs of providing for these learners is increased by rurality factors: we cannot create economy of provision by bringing learners together, except at great cost for transport. In 2016-2017 the cost of high needs funded services for such learners increased and is an increasing spend factor.

The LA also agrees with the F40 response

Key stage 4 low attainment – 7.5% - Key stage 4 low attainment – 7.5%:

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account::

As above.

The LA also agrees with the F40 response

Children in bad health – 7.5% - Children in bad health – 7.5%:

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account::

Measures which are 'live' annually adjusted figures are fairer, because they describe changing population and needs. Measures such as IDACI and Bad Health are taken every 5 - 10 years, so do not represent local need, in a rapidly changing population. The Bad Health and DLA indicators should be lower, unless annual live data can be produced.

The LA also agrees with the F40 response

Disability living allowance (DLA) – 7.5% - Disability living allowance (DLA) – 7.5%:

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account::

As above

The LA also agrees with the F40 response

Page 4 – funding floor

4 Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in the consultation document.

Yes

Please explain your reasoning and any further evidence we should take into account::

Given national pressures on High Needs funding it is unlikely that any local authority could manage with lower levels of funding than they currently receive, so we fully support the principle of a floor that results in no authority losing funding from these proposals.

However, we are very concerned about the years following the introduction of a High Needs national funding formula. Our assumption, in the absence of any information to the contrary, is that local authorities in receipt of a funding floor allocation will not receive any share of growth funding in future years until the funding floor protection has been eroded (similar to the way Schools MFG protection works).

For some authorities, this will mean a number of years of absolute flat High Needs allocation at a time of unprecedented growth. Such authorities may have in the past considered transferring DSG from the Schools Block to meet such pressure but this flexibility is proposed to be removed.

This is a major concern and one that we believe the Department must reconsider as there is the real risk that we will see a significant number of local authorities looking to cut their High Needs costs to remain within budget (which in practical terms is very difficult once children have been placed) and these cuts will affect some of our most vulnerable children.

Protecting LAs with more generous starting points diminishes the chance of fairer starting points for more disadvantaged authorities. Protecting a disadvantaged starting point for some LAs entrenches the unaffordability of High Needs provision.

The LA also agrees with the F40 response

5 Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?

Yes

Please explain your reasoning and any further evidence we should take into account::

As question 4. The principle is good, except where protection of more generous starting points prevents the improvement of allocation for lower-funded LAs.

Yes. We support the setting of the floor so that no local authority sees a reduction in their High Needs funding. Our support is on the basis that local authorities will be spending their current High Needs allocation and it is very difficult to change the arrangements for children who are already placed and are settled in their school/educational institution.

The LA also agrees with the F40 response

Page 5 - local budget flexibility

6 Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?

Yes

Please explain your reasoning and any further evidence we should take into account::

Yes. There should be the option for Schools Forum to agree to movement of funding, where locally needed. The impact of this needs to affect schools equally, no matter what sector of education they occupy.

The LA also agrees with the F40 response

7 Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?

Comments box:

We believe that future increases in High Needs block funding should reflect not only inflationary increases but also pupil growth. If local authorities were to be funded appropriately, there would be no need for continued flexibility.

The introduction of EHC Plans has changed the expectations of families, learners and other regarding the provision of education in the 19-25 years age range. Each year from 2018 the number of EHC learners aged 19-25 could rise by hundreds of learners when compared to those who had SEN Statements and High Needs funding.

There should be measures of to what extent the schools Block can compensate for statutory High Needs Block underfunding, at which point the DfE and EFA would intervene / support.

The LA also agrees with the F40 response

Page 6 – further considerations

8 Are there further considerations we should be taking into account about the proposed high needs national funding formula?

Comments - please explain your reasoning and any further evidence we should take into account::

The current size of the High Needs Block is purely based upon historical decisions and whether local authorities and schools forums wanted to delegate funds to schools or not. Levels of delegation made by authorities are not consistent and this needs to be examined in detail as part of the benchmarking exercise.

Local authorities which have not delegated sufficient funds in the past are now being protected. In other words, they have held money back centrally and are being protected on the basis of these historical decisions. Schools in those areas are having their budgets re-based with no recourse to this, so those authorities are seeing a real net gain in DSG. It seems unfair that authorities which have failed to delegate SEN funds to schools are being rewarded.

We are pleased with the recent government announcement regarding capital funding to support growth in SEND provision, however, we are very concerned that some authorities will receive no increase in revenue funding (as mentioned in further detail in our response to question 4 above) to support the daily running costs of such new provision.

We also question if this consultation has fully taken into account the implications of the responsibility local authorities have to the Code of Practice, as they are inextricably linked.

It is proposed that the transfer from the High Needs Block into Schools Block for pupils in Specialist Resource Provision (SRP) is based on place numbers. We do not think this is fair and would recommend that this adjustment is based on actual pupil numbers in the SRP instead.

Funding for 19-25 year old learners should be provided and measured differently i.e. not tied into and dependent upon school-age funding. We would suggest the SFA provide and manage this separate resource, so the interrelationship with SFA-funded training and education is clear. At present, colleges and others are asking for EHC Plans post-18 because this is the only way to overcome the threshold / bureaucratic differences between EFA and SFA funding regulations. At present the SFA regulations push providers towards EFA and in turn the High Needs Block. This is not what is described in the SEND Code of Practice.

The further research you propose in para 5.7 of the consultation document is very welcome. You are seeking to look again at the real links between needs and costs of provision and outcomes.

The LA also agrees with the F40 response

Page 7 – equalities analysis

9 Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?

Comments - please explain your reasoning and any further evidence we should take into account::

None that we are aware of.