

# Post 16 High Needs Funding Update

**Schools Forum**

**Date: 6<sup>th</sup> October 2015**

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| Authors:           | Head of Finance (Education and Innovation)<br>SEND Strategic Commissioner  |
| Wards Affected:    | All  |
| Locality Affected: | All  |
| Settings Affected: | As the Dedicated Schools Grant is ring-fenced funding provided by the Department for Education to meet the educational needs of early years; school age and all 0 to 25 year old high needs pupils any decisions on how the grant is utilised indirectly affects all settings. This report specifically affects funding for High Needs post 16 students attending Further Education Colleges, Independent Specialist College Providers and other training providers. |

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## **1. Purpose and Reasons**

- 1.1 The purpose of this report is to update Schools Forum on the level of funding available and proposes indicative funding allocations to providers for the 2015/16 financial year.

## **2. Recommendations**

- 2.1 Members of the Schools Forum are now asked to:

- Note that the latest projected 2015/16 financial year costs arising from the LA new funding responsibilities for Post 16 High Needs Students is estimated at £2.022m for 387 post 16 (excluding school sixth form) high needs students. This includes costs of 55 placements at ISPs of £0.531m and indicative allocations to FE colleges and training providers of £1.491m for 332 students. (Para. 8.1).
- Note indicative banding values for the academic year 2015/16 have reduced since 2014/15 academic year to fit within the available funding envelope as a result of a significant projected increase in student numbers.

## **3. Current Forecast for Post 16 placements**

### **Funding Available 2015/16**

- 3.1 Although the Post 16 financial year runs from August – July, the DSG is allocated and reported on a financial year basis. Therefore this report is aligned to the financial year.

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- 3.2 As reported to Schools Forum in July 2015 the total funding available for 2015/16 financial year for post 16 providers (excluding school sixth forms) is **£2.022m**.

## Proposed 2015/16 ISP costs

- 3.3 For placements at Independent Specialist Provider Colleges (ISPs) including the UET, annual costs are at individually negotiated rates. Pupils attend ISPs when their needs cannot be met within the mainstream or special school 6th form, or mainstream FE College provision with additional support or a bespoke package. Where appropriate placements are jointly commissioned with social care and health agreeing contributions. ISP placements from September 2015 are estimated at 55 places with 2015/16 financial year costs of **£0.531m**.

## Proposed 2015/16 FE College and Training Provider costs

- 3.4 In September 2014 the Universal Banding approach was implemented in all FE Colleges and Training Providers for High Needs students. The banding scheme was based on the model already used in special schools and SRPs. All students are funded at the same level and a range of supplements were agreed. Students have been allocated against the same 6 prime need bandings used for special school and SRPs and indicative post 16 banding values were calculated based on the funding envelope provided by the EFA for the new responsibilities as calculated below:

- Total funding envelope financial year **£2.022m**
- Less term 5 and 6 costs from the 14/15 academic year **£0.718m**
- Balance available for terms 1- 4 of the 15/16 academic year **£1.304m** (September-March)
- Less ISP costs September – March (see table 1 below) **£0.306m**
- Balance available for FE Colleges and Training Providers September – March **£0.998m**

## 4. Indicative Funding Allocations 2015/16

- 4.1 At this stage in the year the LA is unable to confirm precise funding allocations for individual providers because some students have not confirmed their placements for the 2015/16 academic year yet. The table below provides the LA's best estimates which are as follows;

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| <b>Table 1 – Indicative 2015/16 Academic Year Allocations</b> |                                     |   |  |   |                            |          |
|---|-------------------------------------|---|--|---|----------------------------|----------|
|   | Estimated places<br>September<br>15 | Actual<br>Placements<br>September<br>15 | 2015/16<br>Financial<br>Year<br>payment<br>April –<br>August | 2015/16<br>Financial<br>Year<br>payment<br>Sept - March | Financial<br>Year<br>Total | Note     |
| Cirencester College   | 12                                  | 7                                       | £11,736  | £12,240   | £23,976                    |          |
| New College   | 55                                  | 66                                      | £109,131   | £173,036  | £282,167                   |          |
| Swindon College   | 174                                 | 141                                     | £235,470   | £400,879  | £636,349                   |          |
| Wiltshire College   | 20                                  | 14                                      | £31,813  | £45,818   | £77,631                    |          |
| Bespoke Packages  |                                     | 8                                       |  | £89,966   | £89,966                    |          |
| <b>FE College Total</b>                                       | <b>276</b>                          | <b>236</b>                              | <b>£388,150</b>  | <b>£721,939</b>   | <b>£1,110,089</b>          | <b>1</b> |
| <b>Training Providers Total</b>                               | <b>36</b>                           | <b>27</b>                               | <b>£105,354</b>  | <b>£80,794</b>  | <b>£186,148</b>            |          |
| ISPs  | 15                                  | 14                                      | £198,236   | £152,109  | £350,345                   |          |
| UET   | 37                                  | 41                                      | £26,183  | £154,347  | £180,530                   | 2        |
| <b>ISP Total</b>  | <b>52</b>                           | <b>55</b>                               | <b>£224,419</b>  | <b>£306,456</b>   | <b>£530,875</b>            |          |
| Contingency   | 26                                  | 69                                      | 0  | £194,611  | £194,611                   | 3        |
| <b>Post 16 Total</b>  | <b>390</b>                          | <b>387</b>                              | <b>£717,922</b>  | <b>£1,303,800</b>                                       | <b>£2,021,723</b>          |          |

4.2 The LA expects to fund element 3 top ups for a total of 387 students during the 2015/16 academic year which is an increase of 135 over the EFA approved placements collated through the High Needs Return in October 2013. The LA had the opportunity in October 2014 to make a request to the EFA for exceptional circumstances to increase the place numbers. However the increase per provider did not meet the exceptional circumstances criteria and therefore requests made by the LA were not successful. The EFA have agreed to recognise and provide element 3 funding for 252 places.

**Note 1** – The number of placements realised at FE Colleges have reduced compared to the number estimated in July 2015. Some of these pupils have subsequently been

Further information on the subject of this report can be obtained from Ian Burbidge on 01793 464384 ([iburbidge@swindon.gov.uk](mailto:iburbidge@swindon.gov.uk)) or Lyn Frith on 01793 463217 ([LFrith@swindon.gov.uk](mailto:LFrith@swindon.gov.uk))

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confirmed as no longer requiring high needs support and some have decided not to continue their education.

**Note 2** – In July the number projected to Schools Forum was the full time equivalent. We have subsequently amended this figure in line with other providers. Therefore this impacts on the total overall number of pupils.

**Note 3** – There are currently 69 pupils who have been identified as being high needs, but their post 16 destination is currently unknown. Schools Forum should note that it is still early in the term and students are still enrolling with post 16 provisions.

- 4.3 The projection based on the current known student numbers and the bandings allocated through the moderation process will mean a total financial year spend of £2.022m and will be on budget.
- 4.4 A contingency budget of £0.195m has been developed for the period September-March for the identified pupils who are high needs where a destination has yet to be confirmed as it is still early in the term.
- 4.5 A new local funding formula was devised and implemented in September 2014 to distribute the available funding to FE Colleges and Training Providers. Based on current projections of student numbers it is not possible to maintain the 14/15 banding values within the financial envelope. As agreed at the July Schools Forum, the indicative values have been aligned with the available budget now the number of pupils projected has reduced. This means that the difference in value from 2014/15 rates has reduced from that anticipated at the July School Forum. The resulting funding values for September 2015 are proposed as follows;

**Table 2 – Proposed 2015/16 post 16 post school High Need Band Values & Supplements**

|                                  | <u>AYR Values</u><br><u>2014/15</u> | <u>AYR Values</u><br><u>2015/16</u> | <u>Difference</u><br><u>in Value</u> |
|----------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|
| Band 1 – 100%                    | £8,975                              | £8,155                              | -£820                                |
| Band 2 – 90%                     | £8,078                              | £7,340                              | -£738                                |
| Band 3 – 60%                     | £4,488                              | £4,893                              | +£405                                |
| Band 4 – 37.5%                   | £3,366                              | £3,058                              | -£308                                |
| Band 5 – 30%                     | £2,693                              | £2,447                              | -£246                                |
| Band 6 – 15%                     | £1,346                              | £1,223                              | -£123                                |
| <u>Supplements</u>               |                                     |                                     |                                      |
| Medical Needs                    | £750                                | £750                                | £0                                   |
| Manual Handling                  | £500                                | £500                                | £0                                   |
| Transition                       | £250                                | £250                                | £0                                   |
| Workshop / High Risk Environment | £400                                | £400                                | £0                                   |
| Open campus                      | £250                                | £250                                | £0                                   |

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- 4.6 The self-audit and moderation of bandings and supplements process has developed to include all providers to ensure resources are allocated as equitably as possible. Moderation is an annual activity to consider changes to current banding allocation for pupils for whom the college is requesting a change of band. New pupils joining in September 2015 will have been banded by their previous provision. Colleges will have the opportunity to request a change of banding level for these pupils at a further moderation event schedule to take place at the beginning of term 2.
- 4.7 During Term 5 and 6 LA Commissioners completed a monitoring and review of high needs students in a range of settings. The outcome of the exercise with recommendations for 16/17 will be presented to the January Schools Forum for consideration.
- 4.8 The providers have all engaged and participated in the self-assessment and moderation process of High Needs Students managed by the LA and will continue to be included within moderation in Term 2.

## **Members of the Schools Forum are now asked to:**

- **Note that the latest projected 2015/16 financial year costs arising from the LA new funding responsibilities for Post 16 High Needs Students is estimated at £2.022m for an estimated 387 post 16 (excluding school sixth form) high needs students. This includes costs of 55 placements at ISPs of £0.531m and indicative allocations to FE colleges and training providers of £1.491m for 332 students.**
- **Note indicative banding values for the academic year 2015/16 have reduced since 2014/15 academic year to fit within the available funding envelope as a result of a significant projected increase in student numbers.**

## 5. Alternative Options

The LA has a statutory duty to manage and distribute the Dedicated Schools Grant (DSG) in accordance with prevailing grant conditions and School Finance Regulations. DfE have prescribed the options available to Local Authorities, some of which are mandatory whilst some are discretionary, but in most cases funding values are to be locally determined. The proposals in this report are aimed at containing costs within the level of funding provided by EFA to meet the LAs new responsibilities. As no elements of the DSG are ring fenced it is for individual LAs to decide how best to manage this funding via consultation with Schools Forum's. Higher or lower levels of post 16 high need funding could therefore be subject to the whole DSG budget being balanced, thus an increase

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in funding for Post 16 would require a compensatory saving elsewhere in the budget.

## 6. Implications, Diversity Impact Assessment and Risk Management

### Financial and Procurement Implications

6.1 As this is essentially a financial report the implications are explained throughout the document. At this stage the impact of any funding changes on individual colleges and other providers cannot be precisely determined although the establishment of banding and supplement values should reduce financial uncertainty.

6.2 It is important to recognise that under the school finance regulations no setting is financially protected against reduced pupils or students although from 2014/15 the LA had an option to protect good and outstanding mainstream schools and academies from temporary falling rolls.

### Legal and Human Rights Implications

6.3 There are no legal and human rights implications arising from this report.

### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

6.4 Although the impact on individual settings cannot be determined at this stage the school funding reform programme is causing a degree of volatility which may have implications for schools and other providers which are detrimentally affected by the redistribution of funding. In determining funding levels the LA is required to comply with the school finance regulations and providers are expected to manage their operations and spending within their available funding including brought forward balances.

### Links to One Swindon, Strategic Objectives, Plans and Policies

6.5 Utilisation of the DSG has a direct link to two of the Council's five priorities – "Right skills, right jobs in the right place" and "Make the best use of Swindon's resources inside and outside the Council".

### Diversity Impact Assessment

6.6 The DfE's funding reform programme is aimed at simplifying fair funding although funding changes at individual settings is inevitable. The reform programme is clearly aimed at ensuring funding is targeted at disadvantaged pupils and at pupils with low prior attainment and/or special education needs in order to narrow the attainment gap between these and other pupils.

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## Risk Management

- 6.7 The key risks arising from this report are that local decisions relating to Post 16 funding could lead to an overspend on the 2014/15 DSG and/or that the EFA could deem that our funding arrangements do not comply with the school finance regulations requiring budgets to be recalculated.

## 7. Consultees

- 7.1 The Board Director Finance, Revenues, Benefits and Property (Section 151 Officer), Board Director, Commissioning (Director of Children Services) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

## 8. **Background Papers**

- 8.1 Various documents issued by the Department for Education which were summarised in previous reports to the Schools Forum