

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

Author:	Strategic Commissioner SEND
Wards:	All
Locality Affected:	All
Parishes Affected:	All

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 2017/18 financial year.
- 1.2 Utilisation of the Dedicated Schools Grant ('DSG') contributes towards delivering the Council Vision Priority "Offer education opportunities that lead to the right skills and right jobs in the right places" 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".

2. Recommendations

Schools Forum is recommended to:

- 2.1 Note the LA's latest estimate is that a total of 453 Full Time Equivalent ('FTE') post 16 (excluding sixth form) high needs students will need to be financed during the 2017/18 academic year, as detailed in Para. 3.1 – 3.5.
- 2.2 Agree the 2017/18 indicative banding values shown in table 2 and note that these will be reviewed if there is significant variance due to actual take up of places as detailed in Para. 3.6 – 3.12.
- 2.3 Note that the estimated annual net costs of 64 places at Independent Service Providers ('ISP') is £0.487m and will be charged to the 2017/18 financial year budget as detailed in Para. 3.6 – 3.12.
- 2.4 Note the annual allocations for Further Education ('FE') College and Training Providers totalling £1.207m will be charged to the 2017/18 financial year as detailed in Para. 3.6 – 3.12.
- 2.5 Note a contingency budget of £0.198m for 88 identified high needs students with no confirmed destination in the financial year as detailed in Para. 3.6 – 3.12.
- 2.6 Note that the current budgeted figures would result in an overspend of £17k, and that the banding values / contingency will be reviewed as part of the October Schools Forum paper as detailed in Para. 3.6 – 3.12.
- 2.7 Note the overall financial year and academic year budget position shown in Table 2 as detailed in Para. 3.6 – 3.12.

Further information on the subject of this report can be obtained from Lyn Frith, 01793 463217, LFrith@swindon.gov.uk

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

3. Detail

Background

- 3.1 The responsibility for this area of funding was transferred to the Local Authority ('LA') from the Education and Skills Funding Agency ('ESFA') in September 2013. The funding arrangement for the provision of high need students in FE colleges, training providers and ISPs is different to schools. The position is as follows:
- Element 1 – Swindon Borough Council ('SBC') has no involvement in what Department for Education ('DfE') refer to as element 1 funding which is paid direct to accredited providers on a lagged basis using previous year's learner numbers. This operates outside all DSG calculations and averages £4,977 per pupil. This is essentially the same as pupil based funding in a mainstream school although FE rates per student are set by the ESFA for individual providers and will not be exactly £4,977.
 - Element 2 – This is paid on a lagged basis directly to providers by the ESFA at £6,000 per place and is essentially the same as the notional Special Educational Needs ('SEN') funding for pre 16 students. The ESFA states that Element 2 does not align exactly to student numbers and the allocation is not LA specific.
 - Element 3 – This is the only funding that SBC receives DSG funding for to pay over to FE colleges and other high needs providers and should be paid based on meeting individual pupil needs' top up costs in a similar way to mainstream and specialist settings.

Update on 2017/18 Financial Year Allocation

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

Funding Available 2017/2018

- 3.3 The total funding available for 2017/18 financial year for post 16 providers (excluding school 6th forms) is £1.875m

Planned Placements

- 3.4 Table 1 shows how the LA's latest 2017/18 commissioning plans compares to the ESFA approved places:

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

Table 1 – Indicative 2017/18 Academic Year FTE Placements

	ESFA	Jun-17	Projected	Variance	Notes
	Approved Places2017	Actual Placements	Sep-17 Placements	To ESFA Approved	
Cirencester College	14	4	6	+8	1
New College	45	77	86	-41	
Swindon College	148	123	169	-21	
Wiltshire College	4	6	10	-6	
Colleges Total	211	210	271	-60	

Training Providers Total	36	42	41	-5	
---------------------------------	-----------	-----------	-----------	-----------	--

ISPs	19	4	4	+15	2
UET	41	41	49	-8	3
ISP's Total	60	45	53	+7	

Unknown destinations	0		88	-88	4
----------------------	---	--	----	-----	---

Overall Total	307	297	453	-146	5
----------------------	------------	------------	------------	-------------	----------

3.5 The LA expects to fund element 3 top ups for a total of 453 students during the 2017/18 academic year which is an increase of 146 over the ESFA approved placements collated through the High Needs Return in October 2013. Subsequent returns have only allowed limited amendments and our commissioned places remain largely fixed.

- Note 1 – This year we are projecting that numbers will exceed the commissioned places. Element 2 funding for approved providers is allocated on a lagged learner basis by the ESFA in line with the October census data.
- Note 2 – A total of 4 ISP placements are now expected which is 16 below the number commissioned. Element 1 and 2 is funded on a lagged basis in the same way as FE Colleges and training providers, funding for unused places cannot be rerouted back to the LA and this number was not subject to change through the High Needs Return annually.
- Note 3 – The ESFA currently fund 42 placements at UET. Element 1 and 2 is funded on a lagged basis in the same way as FE Colleges, training providers and other ESFA approved ISPs.

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

- Note 4 – There are 88 students identified as meeting the high needs criteria where a post 16 destination is not yet known.

Members of the Schools Forum are now asked to:

- **Note the LA's latest estimate is that a total of 453 FTE post 16 (excluding sixth form) high needs students will need to be financed during the 2017/18 academic year**

Proposed 2017/18 ISP costs

- 3.6 For placements at Independent Specialist Provider Colleges (ISPs) including the Uplands Educational Trust ('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 2017 are estimated at 53 places with 2017/18 financial year costs of £0.487m.

Proposed 2017/18 FE College and Training Provider costs

- 3.7 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 (Special Resource Provisions ('SRPs') and indicative post 16 banding values were calculated based on the funding envelope provided by the ESFA for the new responsibilities as calculated below:

3.7.1 Total funding envelope financial year **£1.875m**

3.7.2 Less term 5 and 6 costs from the 16/17 academic year **£0.531m**

3.7.3 Balance available for terms 1-4 of the 17/18 academic year **£1.344m**
(September-March)

3.7.4 Less ISP costs September – March (see table 2 below) **£0.337m**

3.7.5 Balance available for FE Colleges and Training Providers September – March **£1.007m**

- 3.8 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

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

placements for the 2017/18 academic year yet. The table below provides the LAs best estimates which are as follows;

Table 2 – Indicative 2017/18 Academic Year Allocations					
	Actual Places June 2017	Latest Estimated places Sept 2017	2017/18 Financial Year payment April – August	2017-18 Financial Year payment Sept - March	Financial Year Total April 2017 – March 2018
Cirencester College	4	6	£2,966	£8,701.36	£11,668
New College	77	86	£142,015	£285,128.75	£427,144
Swindon College	123	169	£162,765	£462,392.00	£625,157
Wiltshire College	6	10	£10,183	£22,940.00	£33,123
FE College Total	210	271	£317,929	£779,162	£1,097,091

Training Providers Total	42	41	£63,074	£47,179	£110,253
---------------------------------	-----------	-----------	----------------	----------------	-----------------

ISPs	4	4	£41,407	£58,932	£100,339
UET	41	49	£109,185	£277,640	£386,825
ISP Total	45	53	£150,592	£336,573	£487,165

Contingency		88	0	£198,000	£198,000
-------------	--	----	---	----------	-----------------

Overall Total	297	453	£531,595	£1,360,914	£1,892,509
----------------------	------------	------------	-----------------	-------------------	-------------------

- 3.9 The projection based on the current known student numbers and the bandings allocated would mean a total financial year spend of £1.892m, this is £17k above the current budget the banding values / contingency will be reviewed as part of the paper presented to Schools Forum in October.
- 3.10 A contingency budget of £0.198m has been developed for the period September-March for the identified pupils who are high needs where a destination has yet to be confirmed.
- 3.11 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 recommended that the 16/17 banding values are maintained. However, this will be revised following enrolment in the

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

new academic year. The resulting funding values for September 2017 are proposed as follows;

Table 3 – Proposed 2017/18 post 16 post school High Need Band Values & Supplements			
<u>Universal Banding Descriptor</u>	<u>Values 2016/17 AYR</u>	<u>Indicative Values 2017/18 AYR</u>	<u>Difference in Value</u>
Band 1 – 100%	£7,910	£7,910	£0
Band 2 - 90%	£7,119	£7,119	£0
Band 3 - 60%	£4,746	£4,746	£0
Band 4 – 37.5%	£2,966	£2,966	£0
Band 5 - 30%	£2,373	£2,373	£0
Band 6 – 15%	£1,187	£1,187	£0
<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

3.12 It is not possible to fund post 16 providers (excluding school sixth forms) at the same level as schools due to the funding levels available.

- Medical Needs: for students with a significant medical need that would require a high level of medical assistance/supervision.
- Manual Handling: for students with a disability that would require a significant level of manual handling.
- Transition: for students who are transferring from a Special School or Special Resource Provision on band 1 or 2. This supplement would only apply during the first year at College.
- Workshop / high risk environment: for students working in a higher risk learning environment that would require additional support/supervision.
- Open campus: for students who are socially or emotionally highly vulnerable, as a result of their SEN needs, and require closer supervision when attending an open campus environment.

Members of the Schools Forum are now asked to:

- **Agree the 2017/18 indicative banding values shown in table 3 and note that these will be reviewed if there is significant variance due to actual take up of places**

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

- Note that the estimated annual net costs of 53 places at ISPs is £0.487m and will be charged to the 2017/18 financial year budget
- Note the annual allocations for FE College and Training Providers totalling £1.207m will be charged to the 2017/18 financial year
- Note a contingency budget of £0.198m for 88 identified high needs students with no confirmed destination in the financial year
- Note that the current budgeted figures would result in an overspend of £17k, and that the banding values / contingency will be reviewed as part of the October Schools Forum paper.
- Note the overall financial year and academic year budget position shown in Table 2

4. Alternative Options

- 4.1 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 ESFA 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 Forums.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 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.

Legal and Human Rights Implications

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

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

- 5.3 This report does not make any recommendations which affect these areas

Post 16 High Needs Funding Update

Schools Forum

Date: 4th July 2017

Diversity Impact Assessment

- 5.4 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.

Risk Management

- 5.5 The key risks arising from this report are that local decisions relating to Post 16 funding could lead to an overspend on the 2017/18 DSG and/or that the ESFA could deem that our funding arrangements do not comply with the school finance regulations requiring budgets to be recalculated.

6. Consultees

- 6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 None

8. Appendices

- 8.1 None