

Report to     High Needs Place Plus Review Project Task Group  
From         Steve Haley (Head of Finance – Education)  
                Gill Illic (Education Commissioner)  
Date          5<sup>th</sup> September for distribution prior to 17<sup>th</sup> Sept task group meeting  
Subject       Place Plus “Top Up” Funding for Specialist Settings 2014/15

## **1) Introduction**

Following discussions at the 12<sup>th</sup> July 2013 Task Group about the principles on which specialist setting funding should be based, the LA has determined a new draft framework for 2014/15 Top Ups values which is described below.

It is acknowledged that few issues were unanimously supported by all members of the task group and whilst the proposals in this report are not set in stone (and will be reviewed at the next task group meeting and subsequently by the Schools Forum) it is inevitable that a degree of compromise will be required. Under the school finance regulations the LA must consult with stakeholders over key issues but the decision on things like top up values remains with the Director of Children Services.

After establishing a framework we can begin to work on the proposed top up values which are described below and then, after reviewing demand for planned places, project 2014/15 funding allocations for each setting. As explained at the last Task Group meeting there is little prospect of any additional DSG coming into Swindon next year and we need to assume that the overall SEN funding pot will remain the same for pre 16 pupils (regardless of demand) and that post 16 funding will reduce by 20% (regardless of demand).

It is inevitable that for any setting to receive an increase in funding another setting will have to manage with reduced funding and the sooner we set the new funding rates the sooner we can assess the implications for individual special schools and SRPs. It is most possible that in some settings the current level of provision will simply be unaffordable and the task group will need to identify where, when and how any reductions can best be implemented in the most fair and consistent manner for the benefit of all high need pupils and students.

In summary, the LA must introduce a fair system of funding with increasing demand and, in real terms, with reducing resources – the inherent difficulty of achieving this must be acknowledged by all members of the task group.

## **2) Framework for a Universal Banding and Funding System**

The following principles will be used to determine the new funding framework;

1. All pupils in SBC specialist settings will be banded via the new 6 bands. Special Schools and SRPs will be funded at the same levels per pupil where bandings are the same. Funding per pupil will vary as follows;

### **Pupil Needs**

2. Pupils with different prime needs will attract different levels of funding although to simplify things 4 separate band values are proposed.
3. Existing Therapy supplements (which are currently payable to 2 special schools and 8 SRPs) will be absorbed into the new top up values and will not be separately shown.

4. Pupils with secondary and possibly tertiary needs will not automatically attract enhanced funding but bespoke levels of funding can be provided in certain circumstances. The new banding and funding system will cover the vast majority of pupils but bespoke values will be negotiated between the setting and commissioners where the complex needs of individual pupils are not adequately covered by the bands.

#### Enhancements

5. Supplementary funding over and above basic band values will be paid in respect of eligible pupils in SRP's to recognise the differing context between SRPs and Special Schools as follows
  - a. Medical needs
  - b. Manual handling
  - c. Teaching requires British Sign language

#### Age adjustments

6. Funding will be marginally higher for secondary age pupils in line with the long standing position on mainstream funding which provides higher funding at KS3/4 to recognise the increasing specialisation of teaching requirements arising from the national curriculum and costs associated with exams. (Although some pupils bandings increased as they transitioned from primary to secondary education this is not always the case)
7. Funding will be lower than secondary levels for post 16 sixth form pupils due to lower levels of DSG funding being received and to recognise that students may not require 25 hours teaching per week.
8. Early year's pupil funding will be the same as primary age funding but scaled down pro rata to hours in school.

### **3) Determining values for the new system**

#### Step 1 – Determine overall specialist setting funding available in 2014/15

For 2013/14 when the new High Needs DSG block was introduced we were able to secure an additional £228,000 for high needs growth in places but for 2014/15 the indications are that funding will be frozen at current levels so for planning purposes we must work within the existing budget of **£15.477m** which is summarised as follows;

<u>Table 1 – 2013/14 Funding</u>	No of FTE places	Place / Fixed	Top up	PFI	Total
Special Schools – Annex A	470.4	£4,704,167	£5,248,791	£264,379	£10,217,337
SRP's – Annex B	168.0	£1,680,000	£2,354,947		£4,034,947
SEN Outreach & Commissioned services – Annex C		£1,224,985			£1,224,985
	638.4	£7,609,152	£7,603,738	£264,379	£15,477,269

It is relevant to note that the existing funding reflects some increased places from September 2013 which attracted only part year (7/12) funding in 2013/14 – even without any further increases in places, an additional (5/12) cost will be incurred whilst the overall high need budget will remain unchanged.

Furthermore the Schools Forum in July agreed the LA proposal to pay double top ups to provide pump priming funding to new SRPs (initially the Ridgeway ASC Unit at a full year additional cost of £95,842) and additional funding of £18,000 for the Ridgeway HI unit. The new HI BSL provision at Isambard will also benefit from double top ups in 2014/15 and 2015/16.

The White Horse Federation have requested an annual increase of £12,698 above current levels for the behaviour support service they provide from Nylands as they feel that their funding does not fully cover leadership and central service costs. A decision on this will need to be taken as part of the task group's review.

All of the above cost pressures will need to be absorbed from the existing budget (i.e. by reducing top up values) unless either early years or mainstream funding is reduced (highly unlikely to be agreed) or additional DSG is (unexpectedly) secured.

The LA will benchmark its high need spending levels with statistically similar LAs to establish whether current spending is above / below comparator LAs.

### Step 2 – Determine the level of funding required to secure places in 2014/15

For specialist settings the place element of funding is fixed by DfE at £10,000 per year and this will be payable based on planned place numbers. LA Commissioners will therefore need to agree estimated places from April 2014 and September 2014 at each specialist setting – this will determine how much high needs funding will need to be set aside for places and will reduce the overall value available for top ups. (Place numbers in subsequent years will be used as part of the LA's 2014/17 capital planning process)

Places in each setting are estimated as follows;

<b>Table 2) Current and Planned Special School Places</b>									
Setting	2013/14 Funded Places		Latest Sep-13	2014/15 Funded Places		2015/16 Funded Places		2016/17 Funded Places	
	Apr-13	Sep-13		Apr-14	Sep-14	Apr-15	Sep-15	Apr-16	Sep-16
St Lukes	68	68	68	68	68				
Brimble Hill	67	65	62.5	67	67				
The Chalet	48	55	55	55	55				
Crowdy's Hill	128	128	133	133	133				
Uplands	114	128	138	138	138				
Nylands	32	36	32	36	36				
<b>Total Special Schools</b>	<b>457</b>	<b>480</b>	<b>488.5</b>	<b>497</b>	<b>497</b>				
Full Year Equivalent	470.4			497					

<b>Table 3) Current and Planned SRP Places</b>									
Setting	2013/14 Funded Places		Latest	2014/15 Funded Places		2015/16 Funded Places		2016/17 Funded Places	
	Apr-13	Sep-13	Sep-13	Apr-14	Sep-14	Apr-15	Sep-15	Apr-15	Sep-15
Redoaks - HI BSL	13	13	12	13	13				
Ridgeway - HI	4	4	3	3	3				
Redoaks - LDD	6	6	6	6	6				
Ridgeway - ASD	0	4	4	4	8				
Lydiard Academy – ASD	11	15	15	15	15				
Ruskin Junior - ASD	10	9	6	9	9				
Kingsdown - ASD	14	16	16	15	15				
Robert Le Kyng - PD	8	10	10	10	10				
Westlea - PD	9	10	6	6	6				
Commonweal - PD	18	20	18	17	17				
Eldene - CLD	9	8	9	9	9				
Millbrook - CLD	9	8	8	8	8				
Even Swindon - SSL	15	15	15	15	15				
Commonweal - SPLD	29	29	29	29	29				
Mountford Manor – BESD	6	6	6	6	6				
Isambard – HI BSL	-	-	-	-	1				
<b>Total SRP's</b>	<b>161</b>	<b>173</b>	<b>163</b>	<b>165</b>	<b>170</b>				
Full Year Equivalent	168.0			167.9					

Unless all settings agree that they will not require further place funding for any pupils above their planned places, Commissioners will need to set aside a contingency for further place funding which will further reduce the overall value available for top ups.

Mountford Manor SRP does not operate in the same way as other specialist resource provision. Pupils are not required to have a statement of educational needs prior to admission and are admitted on a 3/2 day shared placement with their host mainstream school. The provision is part of a graduated response which aims to support pupils to remain at, and return to their fulltime mainstream placements. For some pupils, the graduated response would lead to a placement at the Nyland Special School Assessment Class or the Nyland Special School. The EFA have advised that this model of operation is akin to Alternative Provision (AP) and recommend that the SRP be “re-classified” as such. As Mountford Manor is an academy the LA is unable to re-classify

the provision (only the academy can do this) but we are able to commission places at the same rate of funding as other AP

This has operational and financial implications as, under the school funding reform programme, where individual schools make short term or part time placements, they are the commissioner and must pay the top up fees directly to the provider. The LA would still need to annually agree and fund places but would need to delegate the existing top up budget across schools via the local formula. Administering the collection of charges would be the responsibility of the provider. Similar arrangements would also need to be put in place for the Nylands assessment class until such time as pupils were statemented and actually placed in a special school.

To minimise bureaucracy and financial requirements the LA will seek EFA approval to treat Mountford Manor and the Nylands PRU / assessment class as “High Need Commissioned Services” which would be subject to annually reviewed SLAs with the LA clawing back proportionate pupil based funding from the schools placing pupils at these settings.

The LA believes that an SRP requires at least 6 places to remain viable and would suggest any provision with less than this number should be treated as a commissioned service.

### Step 3 – Determine the level of funding for outreach and commissioned services

Funding for these services needs to be reviewed in order to ascertain the value available for top ups. Indicative values for 2014/15 are proposed which reflect part year funding (April 2014 to August 2014) for the Isambard HI BSL as agreed by Schools Forum in January 2013. All services include a modest 1% inflationary increase as follows;

<b><u>Table 4 – Current and Proposed funding for High Need Outreach and Commissioned Services</u></b>		
<u>Existing Services</u>	2013/14	2014/15
Nylands - Primary Behaviour Support Team (note 1)	£220,400	£222,600
Uplands - Education Support Service	£225,100	£227,400
Even Swindon - Speech and Language	£22,200	£22,400
Ruskin Junior - ASD	£87,000	£87,900
Ridgeway - Education Audiologist	£11,100	£11,200
Redoaks HI Support Service	£239,700	£242,100
Commonweal PD Support Service	£64,100	£64,700
Millbrook SLD Support Service	£66,900	£67,600
Ruskin Junior ASC Support Service	£135,800	£137,200
Issambard BSL Provision	£50,000	£27,400
Nylands CAMHS = outreach service for emotionally vulnerable pupils	£102,685	£103,700
Plus – Mountford Manor (if allowed by EFA)	?	?
Plus – Nylands PRU (if allowed by EFA)	?	?
Plus – Ridgeway HI (if allowed by EFA)	?	?
<b>Totals</b>	<b>£1,224,985</b>	<b>£1,214,200</b>

(Note 1 – Further £12.698 requested)

All the above services will need to be subject to annually reviewed Service Level Agreements to ensure funding meets need and represents value for money.

#### Step 4 – Determine contingency requirements

In managing the overall high needs budget the LA will need to agree planned places in all specialist settings both within and outside the Borough and also establish a contingency budget to meet the costs of additional placements. Initial estimates are that approximately 15 additional pupils will require placements from April 2014, rising up to 36 from September 2014. Further work is being undertaken to estimate demand by type of need and probable placement type and resulting part/full year costs. .

#### Step 5 – Determine the top up values

In order to provide a new fair funding model, values will need to be set which broadly equate to the cost of provision but this cannot be an exact match. The funding system will need to provide an overall funding allocation which each setting will then use to set appropriate staffing levels and budgets to meet curriculum and running costs.

##### a) Basic Band Values

The key requirement is to establish band values which provide a level of funding which broadly equates to the cost of meeting needs – with appropriate stepped increases in value as the type and cost of meeting needs increases. Proposed funding values for 2014/15 are attached at **Appendix 1**. These are indicative only and may need to be increased or decreased depending on the quantum of high needs funding available.

The proposed band values are aimed at being a line of best fit between the differing systems used at present to fund special schools and SRPs. The 4 band values are proposed for primary aged pupils prior to any supplementary funding;

##### b) Supplementary Funding – SRPs only

The following annual funding values will be paid over and above the relevant band values to recognise the differing context between SRPs and Special Schools;

- |  |           |           |
|--|-----------|-----------|
| a. Medical needs                           | £1,500 )  |           |
| b. Manual handling                         | £1,500 )  | per pupil |
| c. Teaching requires British Sign language | £15,000 ) |           |

##### c) Age Adjustments

The above band values are proposed primary sector values with;

- secondary age pupils attracting an approximate 5% supplement – subject to affordability. It may be that the values shown in Appendix 1 become secondary sector rates with a 5% reduction for primary sector settings
- early years nursery pupils attracting the same value but at 0.6FTE
- post 16 pupils attracting the secondary 5% supplement but prorated down by up to 60% to reflect agreed teaching hours.

#### **4) Implementing the new system**

As was discussed and agreed at the first task group meeting implementation of the new system could be delayed by the Minimum Funding Guarantee (MFG) system which limits any setting from losing more than 1.5% of funding per pupil per year. With a DSG cash freeze, the costs of MFG must be met by capping gains in other settings and it could therefore take a number of years to implement any new funding increases.

In line with a recent ASSSH decision whereby a BESD premium was phased out over 3 years, the LA will seek DfE exemption to waive MFG, so that any new top up rates can also be fully implemented within 3 years. This should provide time for those settings which are detrimentally affected by funding reductions to reduce their staffing and other operating costs accordingly without incurring redundancy costs.

The role of the task group in reviewing current staffing structures and levels of spending in these settings to help them identify cost reductions will be invaluable. As agreed at the last task group meeting a selection of Special School and SRP representatives will be asked to present their current budget plans to the group to prompt discussions about staffing levels, leadership and management costs, operating costs etc. with a view to helping to ensure future funding and service provision is, as far as possible, consistent across all settings so that pupils with similar needs receive similar levels of education and that settings receive similar levels of funding.

It is important to recognise that whilst the LA can implement a new funding system it is not possible to ensure the full SRP funding is actually passed on by the school governing body. In circumstances where a high needs pupil is partially educated in a mainstream class room it would not be unreasonable for an element of SRP funding to be retained to offset mainstream costs. The LA would however advocate that all SRP funding is allocated within the school budget to meet the direct additional incurred by the school in operating the SRP.

#### **5) Alternative Provision**

The school funding reform programme requires AP settings to be funded via “place plus” although place funding is set by DfE at £8,000 per pupil with LAs to set locally determined top up rates. For 2013/14 rates have been set as follows;

- Stratton Pupil Referral Unit - £9,750 per pupil
- Riverside (Vulnerable and anxious pupils) - £9,500 per pupil
- Nylands Pupil Referral Unit – TBC as place funding exceeds last year’s funding

Although the above rates should provide sufficient overall funding to cover costs of provision and comply with DfE requirements the LA intends to introduce a more needs based system which recognises that different levels of funding may be required more in line with the banding SEN banding system.

Further work will be done to model this with a view to any changes being introduced from 2015/16.

Annex A - Summary of Special School Funding 2013/14

<b>Table 13 - Projected 2013/14 Special School Funding - Excluding Pupil Premium</b>					
2012/13 Funding	Setting	2013/14 Indicative Funding			
		Place @ £10,000	Top Up @ Band Values	PFI @ Actual Cost	Total Funding
£1,663,914	St Lukes	£680,000	£1,020,365		£1,700,365
£1,629,931	Brimble Hill	£658,333	£757,203	£96,470	£1,512,006
£892,289	The Chalet	£520,833	£489,701		£1,010,534
£2,287,121	Crowdy's Hill	£1,280,000	£1,046,238		£2,326,238
£2,485,489	Uplands	£1,221,667	£1,557,691	£167,909	£2,947,266
£892,893	Nylands	£343,333	£555,493		£898,826
<b>£9,851,637</b>	<b>Totals</b>	<b>£4,704,167</b>	<b>£5,426,691</b>	<b>£264,379</b>	<b>£10,395,237</b>

Net SBC budget requirement excluding OLA income of £177,900 = **£10,217,337**

Annex B - Summary of SRP Funding 2013/14

<b>Table 16 - Projected 2013/14 SRP Place Funding</b>				
2012/13 Funding	Setting	2013/14 Indicative Funding		
		Place @ £10,000	Top Up Values	Total Funding
£520,034	Redoaks - HI SL	£130,000	£408,850	£538,850
£105,174	Ridgeway - HI	£40,000	£34,280	£74,280
£169,357	Redoaks – LDD	£60,000	£96,638	£156,638
	Ridgeway – ASD	£23,333	£43,283	£66,617
£327,058	Lydiard Academy – ASD	£133,333	£228,626	£361,959
£246,333	Ruskin Junior - ASD	£94,167	£175,525	£269,692
£356,143	Kingsdown – ASD	£151,667	£272,117	£423,783
£240,963	Robert Le Kyng – PD	£91,667	£148,042	£239,708
£227,644	Westlea – PD	£95,833	£113,396	£209,229
£324,949	Commonweal – PD	£191,667	£206,208	£397,875
£178,621	Eldene – CLD	£84,167	£116,418	£200,585
£164,038	Millbrook – CLD	£84,167	£127,534	£211,701
£266,305	Even Swindon - SSL	£150,000	£140,800	£290,800
£414,200	Commonweal – SPLD	£290,000	£208,220	£498,220
£120,018	Mountford Manor - BESD	£60,000	£58,510	£118,510
<b>£3,660,837</b>	<b>Total SRP's</b>	<b>£1,680,000</b>	<b>£2,378,447</b>	<b>£4,058,447</b>

Net SBC budget requirement excluding OLA income of £23,500 = **£4,034,947**



Annex C - Summary of SEN Outreach Commissioned Services funding 2013/14

<b><u>SEN outreach and Support Services</u></b>	<b>£</b>
Nylands - Primary Behaviour Support Team (note 1)	£220,400
Uplands - Education Support Service	£225,100
Even Swindon - Speech and Language	£22,200
Ruskin Junior - ASD	£87,000
Ridgeway - Education Audiologist	£11,100
Redoaks HI Support Service	£239,700
Commonweal PD Support Service	£64,100
Millbrook SLD Support Service	£66,900
Ruskin Junior ASC Support Service	£135,800
Issambard BSL Provision	£50,000
Nylands CAMHS = outreach service for emotionally vulnerable pupils	£102,685
<b>Total 2013/14 Funding</b>	<b>£1,224,985</b>

No OLA contributions SBC budget requirement = **£1,224,985**

Note 1 – White Horse Federation have requested £232,698 in the current year for this service which represents an increase of £12,698