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Executive Summary

This report updates the Schools Forum on the proposed high needs funding arrangements and associated rates for 2015-16.

Schools Forum Actions

The Schools Forum is asked to note and agree the high needs 2015-16 funding arrangements for Southwark's:

- Special Schools;
- SEN units in mainstream schools;
- High Needs Pupils in Mainstream schools;
- Hospital schools;
- Pupil Referral Unit.

1.0 Background

- 1.1 A detailed report explaining the 2015-16 high needs funding arrangements was presented to the October 2014 Schools Forum meeting.
- 1.2 The funding of high needs pupils in 2015-16 will continue to be based on the “place-plus” funding model, where the funding for providers is based on two separate elements; a) the place funding and b) a top-up to meet pupil needs. For Local Authority (LA) settings, the home LA pays for the place funding; for the majority of other settings the Education Funding Agency (EFA) pay the setting the place funding. In all settings the LA pays the top up based on actual pupil participation.
- 1.3 This report focuses on the high needs funding arrangements for Southwark schools for 2015-16. The funding rates are the same as for 2014-15, with the exception of Special School rates which have been updated to reflect the transitional arrangements applicable to the Southwark SEN matrix funding model. Details of the arrangements for each type of school are set out in Appendix A.

2.0 Special School 2015-16 top-up funding rates

- 2.1 An SEN matrix funding approach was implemented in Southwark from April 2013, and is the basis of top-up rates for Southwark special schools.
- 2.3 As with mainstream schools, the national Minimum Funding Guarantee (MFG) protection of minus 1.5% continues to apply to Southwark top-up rates in 2015-16. A ceiling (the maximum increase a school can receive) has been applied to fund the costs of the MFG.

- 2.4 The 2014-15 top-up rates have been updated to reflect the revised MFG protection and ceilings. The ceiling applicable is 1.08%. The updated top-up rates are outlined in table A.

Table A – proposed 2015-16 top-up funding rates

DfE	School	2014-15 top-up rate	2015-16 top-up rate	Change	%
7007	Highshore	£13,071	£13,212	£141	1.08%
7048	Spa	£19,320	£19,030	(£290)	-1.50%
7064	Newlands	£20,031	£20,247	£216	1.08%
7126	Haymerle	£18,906	£18,906	-	0.0%
7167	Beormund	£17,568	£17,568	-	0.0%
7174	Tuke	£19,629	£19,629	-	0.0%
7186	Cherry Gardens	£21,634	£21,634	-	0.0%

- 2.5 An illustration of the potential impact of the above changes (assuming the same place numbers and the school is full with Southwark pupils) is shown in table B.

Table B – modelling of impact of transitional arrangements

DfE	School	2014-15 Places	2014-15 funding*	2015-16 funding*	Variance
7007	Highshore	108	£1,411,645	£1,426,891	£15,246
7048	Spa	90	£1,738,781	£1,712,699	(£26,082)
7064	Newlands	50	£1,001,528	£1,012,345	£10,817
7126	Haymerle	77	£1,455,793	£1,455,793	-
7167	Beormund	35	£720,292	£720,292	-
7174	Tuke	70	£1,374,004	£1,374,004	-
7186	Cherry Gardens	46	£995,161	£995,161	-

**Based on the assumption that places remain unchanged and the school is full with Southwark pupils*

- 2.6 At the December 2014 Schools Forum meeting it was agreed to distribute to schools additional funding as a result of the previous underspend. As with mainstream schools, this additional one-off funding will also be allocated to Special Schools in 2015-16.

3.0 Resource Bases and SEN units

- 3.1 The proposed top-up rates are as follows:

DfE	School	2014-15 top-up rate	2015-16 top-up rate	Change
2500	Redriff	£14,430	£14,430	-
2560	Snowsfield	£14,430	£14,430	-
2858	Brunswick Park	£14,430	£14,430	-
3670	Rye Oak	£14,430	£14,430	-
2339	John Ruskin	£5,688	£5,688	-
2392	Lyndhurst	£6,746	£6,746	-
3460	St Johns and St Clements	£8,228	£8,228	-

4.0 High Needs Funding in Mainstream Schools

- 4.1 The proposed top-up rates are as follows:

Statement banding	2015-16 top-up rate
Band 3	£15,125
Band 4	£12,715
Band 5	Funding for bands 5,6 and 7 is delegated to schools as part of the school funding formula (and appears as part of the schools notional SEN funding)
Band 6	
Band 7	

5.0 Hospital School Funding

5.1 Hospital School funding is required by the EFA to be funded in 2015-16 at the same level per place as in 2014-15. The proposed top-up rates are as follows:

DfE	School	2014-15 place rate	2015-16 place rate
7066	Evelina Hospital	£19,728	£19,728
7073	Bethlam and Maudsley	£25,046	£25,046

6.0 PRU funding

6.1 From September 2015, the level of place funding for Alternative Provision (AP) places has been increased nationally from £8,000 to £10,000. This adjustment does not increase funding but shifts the balance between place and top-up funding so increasing the “guaranteed” budget for the year, with a subsequent reduction in the top-up funding. The total rate per pupil for 2015-16 therefore remains at £21,000.

7.0 High needs growth

7.1 In 2015-16 the LA is expecting growth in the following areas:

- Special schools, with a requirement for additional places currently being discussed with two schools from September 2015;
- SEN units, with potential need for additional places currently being discussed with a number of schools;
- An additional 0.5 FTE hearing impaired (HI) teacher required due to planned increase in places.

7.2 In line with the national approach, base funding in Southwark Schools for 2015/16 will be based on the agreed funded places for 2014/15. Funding for any growth in pupils in addition to the funded places will need to be negotiated with the commissioning LA - if a LA wants to commission places at an institution that has already filled their funded places, an agreement needs to be reached between the commissioning LA and the institution on the level of funding required to fully fund the marginal cost of the additional placement. The approach taken should represent best value and would not automatically equate to an additional cost of £10,000.

7.3 The LA are proposing to manage the costs of growth within the existing high needs resources and additional 2015-16 high needs funding allocation. Further update reports will be provided to future Schools Forum meetings.

8.0 Schools Forum Action

8.1 The Schools Forum is asked for their views and agree the 2015-16 High Needs funding arrangements.

**Appendix A
Summary of 2015-16 High Needs Funding Arrangements**

Type of school	Funding arrangements	2015-16 funding	Next steps
Special Schools	Special school funding continues to be based on: <ul style="list-style-type: none"> • £10k base funding for each funded place; • Additional top-up funding for the actual pupils in the school during the year, agreed and paid direct by the commissioning LA. 	Funding based on: <ul style="list-style-type: none"> • Funded places rolled forward from previous academic year – lagged funding system; • Top-up rates based on 2014-15 rates updated for transitional minimum funding guarantee (MFG) and ceilings; • Funding for growth in pupil numbers in addition to the funded places to be negotiated and agreed with the commissioning LA. 	A re-assessment of the pupil population will be undertaken in the summer term 2015, with the outcome proposed to apply to top-up rates for 2016-17.
SEN units in mainstream schools	High needs funding for pupils in resource bases and SEN units continues to be based on: <ul style="list-style-type: none"> • £10k base funding for each funded place; • Additional top-up funding is received from the commissioning LA for actual pupils based on the agreed top-up rates for each school. 	Funding based on: <ul style="list-style-type: none"> • Funded places rolled forward from previous academic year; • Top-up rates based on 2014-15 rates; • Funding for growth in pupil numbers in addition to the funded places to be negotiated and agreed with the commissioning LA. 	An initial assessment exercise and peer moderation was undertaken on the pupil population in the Summer term. Further work is being undertaken following the initial review to ensure effective funding of the units in the future.
High needs funding in mainstream schools	High needs funding in mainstream schools continues to be based on: <ul style="list-style-type: none"> • Base funding element 1, core education funding – this is the basic per pupil entitlement or AWPU applicable to all pupils; • Base funding element 2, additional support funding – this is the notional SEN funding delegated to schools for SEN; • Element 3, top-up funding – this is the additional top-up funding that applies to 	Funding based on: <ul style="list-style-type: none"> • Base funding is based on October 2014 census data; • Top-up funding is based on actual numbers of pupils during the year. 	Review of impact of the new EHC plans will be conducted in the summer term.

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Type of school	Funding arrangements	2015-16 funding	Next steps
High needs funding in nursery schools	High needs funding in nursery schools continues to be based on: <ul style="list-style-type: none"> Delegated notional SEN funding; Top-up funding based on pro-rata Southwark band 3 or 4 statements. 	Top-up funding is based on actual numbers of pupils during the year.	Review of SEN provision in each nursery school is currently taking place.
Hospital school funding	Hospital school funding is required to be funded in 2015-16 at the same level per place as in 2014-15.	Funding based on: <ul style="list-style-type: none"> 2014-15 place rate. 	N/A
Pupil Referral Unit (PRU) funding	The arrangements for PRU funding have changed from September 2015, with the place funding being increased from £8,000 to £10,000 per place.	PRU funding for April to August 2015 will be based on: <ul style="list-style-type: none"> Place funding of £8,000 per place; Top-up funding of £13,000 per pupil. PRU funding from September 2015 will be based on: <ul style="list-style-type: none"> Place funding of £10,000 per place; Top-up funding of £11,000 per pupil. 	N/A