

Southend-on-Sea Borough Council

Report of Corporate Director of Children & Learning to Cabinet on

6th November 2012

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Agenda
Item No.

Special Educational Needs Funding 2013 onwards Children & Lifelong Learning Scrutiny Committee – Executive Councillor: Councillor James Courtenay *A Part 1 Public Agenda Item*

1. Purpose of Report

- 1.1 To provide an update on the funding changes to schools from April 2013 as they relate to pupils with special educational needs (SEN).

2. Recommendation

- 2.1 That Cabinet support the recommendations to the Schools Forum as in paragraph 5.

3. Background

- 3.1 A report to Cabinet on 19th June 2012 explained the changes to the revenue funding of schools from 2013/14. This report provides an update on the changes as they relate SEN funding.
- 3.2 The new arrangements from April 2013 will mean changes in the way in which children with special educational needs are funded. Schools are being consulted on the changes, with reports being considered by the Schools Forum on 5th December 2012.
- 3.3 In relation to children with SEN at special schools and special units the changes to be implemented are:
- a) base level funding as determined by the Department for Education (DfE) of £10,000 per pupil;
 - b) top up funding above the base level by the individual local authority;
 - c) the ending of inter-authority recoupment with the home local authority funding the top up irrespective of where the child attends school;
 - d) the level of funding broadly protected at 2012/13 levels.

- 3.4 There is no provision to allocate a lump sum to special schools or special units so the top up funding is proposed in bands to reflect both the circumstances and costs of the school, as well as the needs of the child.
- 3.5 The ending of inter-authority recoupment will mean individual Southend schools having to invoice other authorities for the top up costs for individual pupils, and Southend having to make payments direct to schools in other authorities. There will be a net loss of recoupment income to Southend of £500,000 which will be offset by adjustments made by the DfE in the overall Dedicated Schools Grant (DSG) and in the revised payment process direct to schools. However, the DfE are proposing to top slice the DSG to fund hospital tuition nationally, and this will mean a net reduction of £200,000 for Southend, which will have to be funded by an overall reduction for all schools.
- 3.6 The changes for children with statements of SEN in mainstream schools will be more substantial. These are changes in the funding arrangements between the Council and the school rather than any changes affecting the provision for individual children.
- 3.7 At the present time schools make a contribution from their delegated budget of the equivalent of 5 hours Non Teaching Assistant (NTA) funding. The remaining funding is then provided from the centrally retained funding within the overall Schools Budget (and therefore funded from the DSG). Statements of SEN are specific in Southend as to how the funding is split between the school and the authority. Most authorities already require more than 5 hours of support to be provided by the school before accessing additional funding.
- 3.8 The new funding arrangements envisage all pupils with statements of SEN, whether they are in mainstream or in special schools or in special units, receiving base level funding of about £10,000. For a mainstream school this would be the equivalent of the Age Weighted Pupil Unit (AWPU) of £4,000 plus additional funding of about £6,000. This would require the school contributing the equivalent of 12.5 hours of NTA support rather than the current 5 hours. The local authority would then top up the funding above 12.5 hours, depending on the assessed needs of the child. This will initially be direct to schools but over time could be through individual budgets allocated to parents as this is the direction of national policy.
- 3.9 If schools are to provide a higher base level of support then the centrally retained budget will need to be reduced, with that reduction in central funding being delegated to schools. It is estimated that about £1,050,000 will need to be delegated, which would be allocated using the new SEN formula, which is part of the overall new formula to schools.
- 3.10 The increase in delegated funding received through the new SEN formula would not correspond exactly to the additional funding which the mainstream school would have to contribute to the cost of the statements of SEN. In order to ensure that no child is disadvantaged, and no school will have insufficient funding, some transitional arrangements for 2013/14 are being proposed which would allow additional transitional funding to those schools who might be potential losers from the new arrangements. This is allowed under the new funding arrangements. Additional funding of about £136,000 has been identified

from an under spend in the overall Schools Budget brought forward from 2011/12.

- 3.11 Eventually all statements of SEN will be rewritten to reflect the new funding arrangements. This is a significant task and so in the interim all schools will initially be funded to ensure they are no worse off and can honour commitments to individual children.
- 3.12 Over time, and as at present, the distribution of children with statements of SEN will be variable. Schools will be expected to always prioritise their delegated SEN budget to meet the needs of those with the greatest need. The Schools Forum has agreed to review the proposed arrangements in 2013/14 before deciding on whether they continue into 2014/15 and beyond.

4. Other options

- 4.1 The option of ensuring all 700 statements for children in mainstream schools are rewritten by 1st April 2013 is not feasible with the current level of staffing within the Council.
- 4.2 If schools are not provided with additional transitional funding then the requirements of existing statements may not be met.

5. Summary recommendations

- 5.1 That Officers recommend to the Schools Forum at its meeting on 5th December 2012 that:
- a) mainstream schools be expected to meet the equivalent of the first 12.5 hours of NTA support;
 - b) that additional funding of about £1,050,000 be delegated to schools through the new SEN formula;
 - c) additional funding be allocated in 2013/14 to individual schools to ensure they have sufficient resources to meet the needs of children with statements of SEN;
 - d) that the funding arrangements be reviewed in 2013/14 for 2014/15 and beyond.
- 5.2 These recommendations will be discussed at the Schools Forum on 5th December 2012 along with the views of schools as a result of the consultation. The Schools Forum will then make its final recommendations on the whole budget which will be considered by Cabinet and Council as part of the overall budget setting for 2013/14.

6. Corporate Implications

- 6.1 Contribution to Council's Vision & Corporate Priorities
Appropriate funding of SEN contributes to the corporate priority to improve outcomes for vulnerable children.

- 6.2 Financial Implications
The overall Schools Budget is fully funded by the Dedicated Schools Grant from the Department for Education.
- 6.3 Legal Implications
The Council is required to comply with the new funding and Schools Forum regulations. The Council is required to give final approval to the allocation of the DSG each year. Statements of special educational needs once finalised must be appropriately funded or parents can appeal the SEN tribunal.
- 6.4 People Implications
None
- 6.5 Property Implications
None
- 6.6 Consultation
Consultation was undertaken at Children and Lifelong Learning Scrutiny Committee on 17th September 2012. The committee supported the recommendations and were concerned to ensure the provision of existing statements was secured. These recommendations are designed to ensure this. Consultation has also been undertaken with all schools and the outcome of this will be considered by the Schools Forum in making its final recommendations.
- 6.7 Equalities and Diversity Implications
Ensuring adequate support for children with SEN is important to address the needs of this disadvantaged group.
- 6.8 Risk Assessment
The Council is required to make changes by legislation. Inadequate funding of existing statements would leave the Council at risk of tribunal actions.
- 6.9 Value for Money
These changes will need to be implemented within the total overall DSG allocation for Southend.
- 6.10 Community Safety and Environmental impacts
None envisaged.
- 7. Background Papers**
- 7.1 School revenue funding 2013 onwards - Cabinet 19th June 2012
<http://apps.southend.gov.uk/minutes/>
- 8. Appendices**
None