

Children and Families Overview and Scrutiny Committee

Date of Meeting: 20 June 2019

Report Title: High Needs Funding for Special Educational Needs and Disability (SEND)

Portfolio Holder: Cllr. Dorothy Flude, Portfolio Holder for Children and Families

Senior Officer: Mark Palethorpe, Acting Executive Director of People and Director of Children's Services

1. Report Summary

- 1.1. This report provides an update on the progress of the School Forum's High Needs Formula Working Group (HNFWG) to enable overview and scrutiny on to the next stage of planned work, which includes further development of the new model for allocating High Needs top-up funding, along with conducting a pilot study and public consultation.

2. Recommendation/s

- 2.1. Members of Children and Families Overview and Scrutiny Committee are asked to:
- 2.1.1. Note the progress of the group to date.
- 2.1.2. Provide feedback on the proposed future activities, timeline, implementation methods and consultation.
- 2.1.3. Provide feedback on the intended next steps as follows:
- Developing a proposed matrix and banding system for mainstream schools based on the model developed by Essex County Council
 - Carrying out open consultation on proposed changes to the High Needs Funding Model used in Cheshire East
 - Carrying out a pilot exercise using the new proposed matrix and banding system with a small number of mainstream schools

3. Reasons for Recommendation/s

- 3.1. It was previously established that the current system for allocating High Needs (Element 3) top-up funding in Cheshire East is opaque, subjective and too closely linked to 'hours' of support (which has resulted in funding allocations being viewed as insufficiently flexible). Issues were also raised regarding the current system's sufficiency of funding and its ability to adequately address exceptionality.
- 3.2. In addition, there are also considerable expenditure pressures on the High Needs block of the Dedicated Schools Grant (DSG), which need to be considered.
- 3.3. As a result of the above, the March 2019 report of The Children and Families Overview and Scrutiny Committee SEND Reforms Task and Finish Group provided a clear recommendation to the Schools Forum to review the distribution and methodology of funding, and stated that a banding system should be considered.
- 3.4. Work has been undertaken to look at the development and implementation of an improved model for the allocation of High Needs top-up funding for children and young people with SEND in Cheshire East based on the following principles:
 - Transparency
 - Objectivity
 - Sufficiency and ability to address exceptionality
 - Flexibility
 - Acknowledgement of increasing demand and costs
- 3.5. To aid transparency and consistency of decision making, it is also crucial that any funding model used in Cheshire East aligns with other documents, systems and processes used to identify and assess children and young people with SEND, including the Cheshire East Toolkit for SEND.
- 3.6. **Links to the Cheshire East Toolkit for SEND**
 - 3.6.1. The [Cheshire East Toolkit for SEND](#) was launched in November 2017, and extensive training has been carried out to embed the toolkit and its principles and practices within Cheshire East schools and settings.
 - 3.6.2. The Toolkit for SEND outlines the provision and support that Cheshire East Council expects to be in place in all educational settings which support Cheshire East children and young people with SEND. Its purpose is to provide detailed guidance on how educational settings can identify children and young people with different types and levels of need, and information on appropriate steps and strategies to support them.

- 3.6.3. The Toolkit also provides clear information about when a request for an Education, Health and Care needs assessment, or specialist services, may be required. It is therefore essential that any proposed model of funding provision for children and young people with SEND is closely aligned with the Cheshire East Continuum of Need (**Appendix 1**) and the Graduated Approach tables provided within the Cheshire East Toolkit for SEND.
- 3.6.4. Using the Graduated Approach means recognising that there is a continuum of need and that needs are met through the addition of increasingly specialist interventions as the level of need increases. However, it is important to recognise that this support should not be viewed exclusively as individual teaching assistant (TA) support. Indeed, studies have signalled the clear need for change in the way TAs are deployed in schools in order to ensure their effectiveness, and have shown that individual TA support is not necessarily the most effective mechanism of support for children and young people.
- 3.6.5. For example, the Deployment and Impact of Support Staff Project (carried out over a five year period and commissioned by national government bodies) found a consistent negative relationship between the amount of TA support received and the progress made by pupils in mainstream primary and secondary schools in maths, English and science.
- 3.6.6. The current methodology of expressing top-up funding associated with EHC Plans in terms of 'hours' of support incorrectly suggests that support must be provided exclusively by individual TA support, and can lead to tensions. The Graduated Approach tables within our Toolkit include a range of flexible strategies to support children and young people with different types and levels of need which are not centred solely on individual TA support. Any new funding model should therefore support implementation of these strategies, allow flexibility in how support is arranged and not be expressed in terms of 'hours' of support.

3.7. Preferred option for further development

- 3.7.1. Following research into a number of models currently in place across the country, the HNFWG favours the development of a model based on the matrix model introduced by Essex County Council from September 2017. This model provides top-up funding in financial amounts in line with a number of bands, as opposed to a value in hours. In addition, the model utilises a 'needs-led' approach in which the appropriate financial band is determined for each individual child or young person through the completion of a Banding Descriptors 'matrix' with

descriptions of different types and levels of SEN. The matrix structure therefore mirrors the structure of the Cheshire East Toolkit for SEND. Implementing a similar model in Cheshire East would allow for the development of a funding model that can be aligned with our existing identification and support mechanisms.

3.7.2. The Banding Descriptors Matrix developed by Essex County Council is available in **Appendix 2**, along with accompanying guidance documents.

3.7.3. The Banding Descriptors Matrix used by Essex County Council allocates columns to particular types of SEN (in line with the SEND Code of Practice). Each type of need is then described in levels 0 – 6.

- Level 0 represents the level of need that can be met with the Key Stage element 1 funding, previously known as age weighted pupil unit (AWPU).
- Level 1 represents the level of need that can usually be met from the £6,000 element 2 funding which is available without an EHC Plan, and comes from the schools block.
- Level 2 upwards represents the element 3 pupil led top-up funding which comes from the high needs block.

3.7.4. Each square on the Banding Matrix has then been allocated a point score with a weighting to reflect the impact that the described needs will usually have on the provision that will be required. The Excel version of the Banding Matrix will indicate the band associated with the score. Essex County Council has 10 bands which each represent a different financial value. The system aims to secure a more accurate sum for each pupil's individual needs.

3.8. **Required next steps for development and implementation**

3.8.1. A proposed timeline for future activities to develop and implement a new high needs funding model is provided in **Appendix 3**.

3.8.2. In order to implement a model similar to that used by Essex County Council within Cheshire East, we would need to ensure that the content of the Banding Descriptors matrix closely aligned with the Cheshire East Continuum of Need and the Graduated Approach tables provided within the Cheshire East Toolkit for SEND. This work is already underway through coproduction between LA officers and local SENCOs and will also involve additional local professionals from across education, health and care.

- 3.8.3. Following advice from Essex County Council, it is proposed that we look to develop the model in stages, with an initial focus on mainstream schools.
- 3.8.4. Appropriate financial values for each funding band would also need to be determined through detailed modelling at a school level. As the new model is fundamentally different to our current 'hour' based model, it has not been possible to carry out an accurate financial impact modelling exercise. It is therefore proposed that a feasibility pilot is undertaken in a small number of mainstream schools (approx. 12 schools) with different demographics in order to determine impact, guarantee feasibility and determine appropriate banding values before a new model is implemented across all mainstream schools using a phased implementation process.
- 3.8.5. The method and timing of phased implementation for all schools would be agreed as part of the consultation on the proposed changes and new model. Implementation could potentially involve moving pupils in certain year groups to the new model and/or may utilise the EHC Plan annual review process. Feedback on implementation will be sought and gathered during the open consultation.
- 3.8.6. Any year on year protection for settings may also need to be considered.

3.9. Other factors for consideration

- 3.9.1. The proposed model will require a cultural shift and will not necessarily give schools additional funding but will give them greater flexibility in how they use the funding. It will support inclusive schools as those with more SEN pupils will have greater flexibility.
- 3.9.2. The model will have a greater link to the needs of children and young people and further support the embedding of the Toolkit for SEND.
- 3.9.3. It will require advice givers to be more specific, and therefore will require understanding from a wider audience on the impact that advice will have on funding.
- 3.9.4. There would need to be a maximum amount of top-up and well established controls and moderation processes to ensure funding remained within overall budget and that decision making remained consistent, equitable and transparent.
- 3.9.5. A separate arrangement will need to be considered for Resource Provision and Special Schools.

- 3.9.6. Consideration will also be given to the introduction of separate one-off top-up funding for equipment. Further research is needed on this, including an audit to assess current equipment costs incurred by schools.

4. Other Options Considered

4.1. Research into Banding Systems Used by Other Local Authorities

- 4.1.1. The high needs funding arrangements in other local authorities have been researched. Several different local authorities have been considered where a banding system is used, including:

- Blackburn with Darwen
- Cheshire West and Chester
- East Riding of Yorkshire
- Essex
- Trafford
- Warrington

5. Implications of the Recommendations

5.1. Legal Implications

- 5.1.1. To be established. Extensive consultation is scheduled to take place on the proposed changes.

5.2. Finance Implications

- 5.2.1. The Council receives £35.7m of High Needs DSG funding. This is under pressure from the rising numbers and costs of children with SEND, in particular those being sent to independent provision. It is therefore necessary to establish a funding system that is sustainable and allows maximum use to be made of funding. Controls and moderation processes will be established for the new model in order to manage spend.

- 5.2.2. The introduction of the new system will require additional resource to implement and potentially run two funding systems in parallel during the implementation phase – which is to be established.

5.3. Policy Implications

- 5.3.1. Under the new model, schools will still receive top-up funding for children and young people with an EHC Plan. Adoption of the new model will alter how funding requirements are determined, but aims to do so in line with the child or young person's individual need.

5.4. Equality Implications

- 5.4.1. An Equality Impact Assessment will be completed as part of the next phase of this work, alongside the development of a proposed Cheshire East Matrix.

5.5. Human Resources Implications

- 5.5.1. There are no direct implications for Human Resources.

5.6. Risk Management Implications

- 5.6.1. A number of activities are planned in order to give a full understanding of any financial risks – this includes extensive consultation with all stakeholders, conducting a pilot, and full review of learning from the consultation and pilot before wider implementation.
- 5.6.2. In addition, consideration is being given as to the best way to provide protections for any school which may have a predicted loss in budget during the pilot (and in further implementation) to ensure that children will not be disadvantaged.

5.7. Rural Communities Implications

- 5.7.1. There are no direct implications for rural communities.

5.8. Implications for Children & Young People/Cared for Children

- 5.8.1. Upon adoption of a new model, the amount of top-up funding for individual children and young people with an EHC Plan may change (either increase or decrease) based upon the banding amount determined by their individual need. It is however important to note that the primary focus of adopting a new funding model is to increase the transparency, equitability and flexibility (i.e. reduced association with 'hours') of high needs top-up funding.

5.9. Public Health Implications

- 5.9.1. There are no direct implications for public health.

6. Ward Members Affected

- 6.1. Any agreed new funding model would apply equally to all wards, and therefore implications would be borough wide.
- 6.2. Once prepared, consultation documents will be shared with all Ward Members, and all Members will have an equal opportunity to contribute to the public consultation which will be carried out as part of the next phase of this work. Further details regarding proposed consultation arrangements are provided in **Section 7** below.

7. Consultation & Engagement

- 7.1. The Council is required to consult widely on any changes to SEN funding and the Council's Research and Consultation team has been notified of this project. The recommended duration for this process is 12 weeks.
- 7.2. Extensive consultation will be carried out on the principles of the proposed new funding model, along with how any new model should be implemented.
- 7.3. We aim to involve all interested stakeholders in consultation on a proposed new funding model, and therefore plan to carry out consultation both online and through a series of consultation events. Targeted events will be held for: internal LA staff; parent carers of children and young people with SEND; Headteachers, governors and SENCOs from Cheshire East mainstream schools and other interested groups from across the SEND Partnership (such as health professionals). Consultation events are included within the planned timeline of activities provided in **Appendix 3** of this report.

8. Access to Information

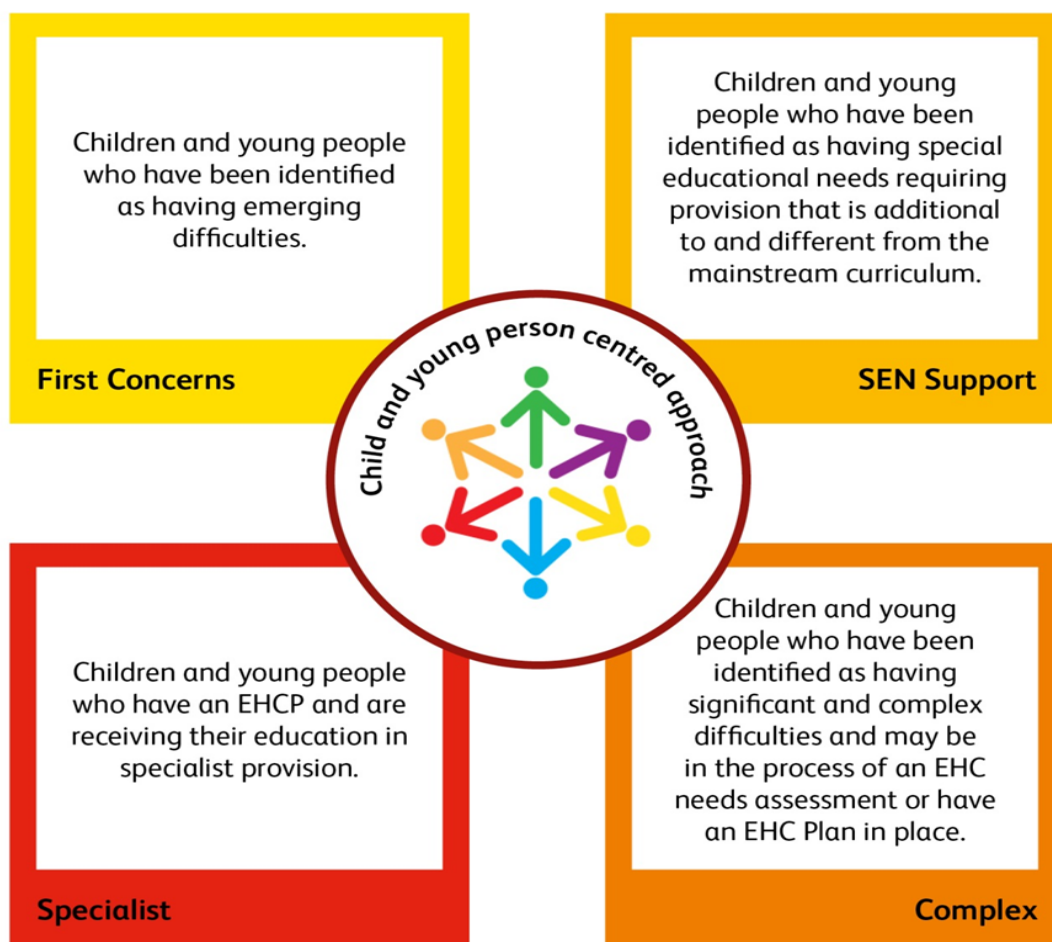
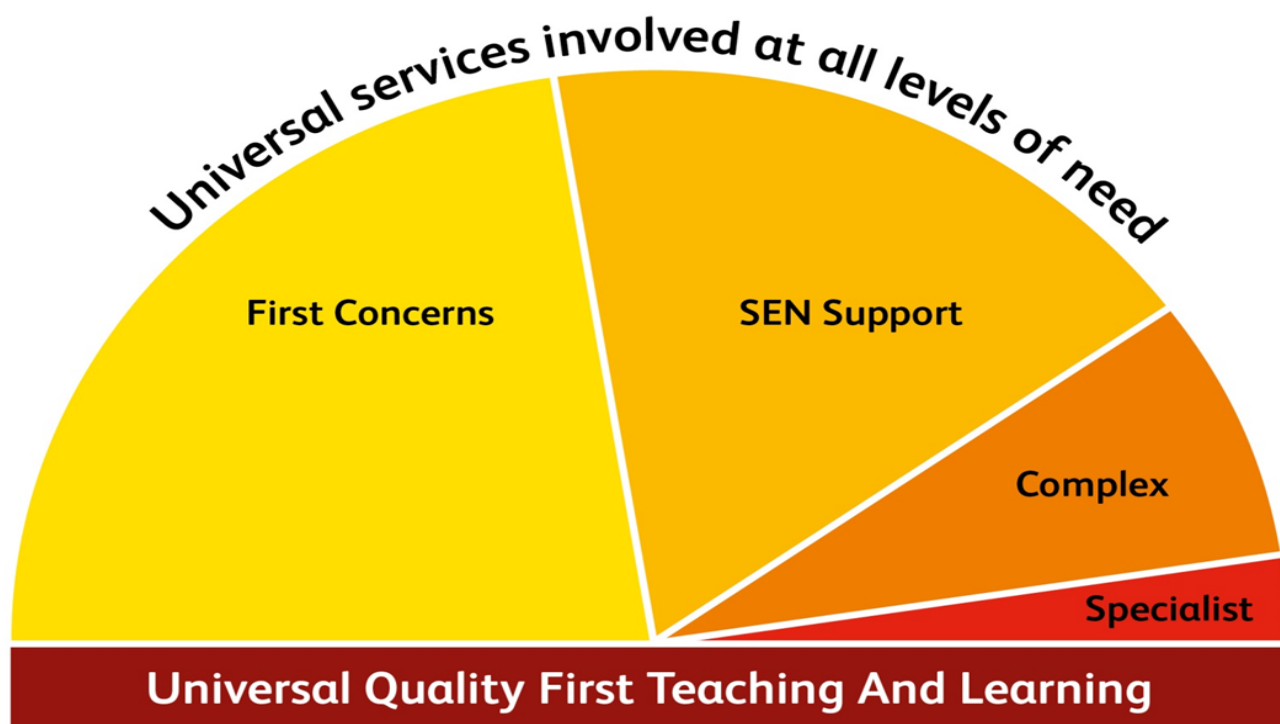
- 8.1. Supporting documents and information are included in the Appendices.

9. Contact Information

- 9.1. Any questions relating to this report should be directed to the following officer:

Name: Jacky Forster
Job Title: Director of Education and 14 -19 Skills
Email: Jacky.Forster@cheshireeast.gov.uk

Appendix 1 - The Cheshire East Continuum of Need for SEND



Appendix 2 - Essex Banding Descriptors Matrix

[Please refer to accompanying files sent with report]

Appendix 3 - Proposed timeline and activities for the development of a new High Needs Funding Model

April – August 2019	Prepare CE matrix document with schools and education/health/care professionals
May – August 2019	Prepare and carry out audit of current equipment costs
May 2019	Prepare consultation documents
May 2019	Plan consultation events (room bookings/invites/refreshments)
Early June 2019	Portfolio holder briefing meeting
Early June 2019	Consultation event with LA staff
Late June / Early July 2019	Consultation events with mainstream schools (Headteacher and Governor)
17 th June 2019	Presentation at SENCO Conference
20 th June 2019	Report shared with Children and Families Overview and Scrutiny Committee
Early July 2019	Consultation event with parents
Early July 2019	Consultation event with other partners
Before mid-July 2019	Formal consultation period (questions)
June – July 2019	Identify pilot schools
June – August 2019	Propose financial banding amounts to be used for Pilot
May – August 2019	Agree controls and moderation processes
End of July - August 2019	Analyse consultation findings and results
August 2019	Formal reporting of consultation findings and final models for pilot
September 2019 – December 2019	Pilot schools – ‘virtual’ banding of all children on proposed Matrix
Feb 2020	Pilot schools – advised of new funding for next financial year (2020/21) based on proposed Matrix results
Feb 2020 – September 2020	<ul style="list-style-type: none"> Review learning from pilot (i.e. is new matrix/model financially viable to LA and school) Share learning (online and/or an event) and consult on proposed changes (if changes and/or further consultation is required) Make final changes to Matrix and

	banding amounts
Feb 2020 – September 2020	All schools/SEND team/other professionals - Training on final Matrix (events and/or guidance documents)
September 2020 – December 2020	All schools – ‘virtual’ banding of ‘selected’ pupils. Need to clarify implementation route through initial consultation in 2019 (e.g. clarification on how pupils would be selected for implementation, and funding method for new EHC Plans)
Feb 2021	All schools – advised of new funding for next financial year (2021/22) based on proposed Matrix results
Ongoing	All schools - Implementation for all pupils in line with agreed roll-out methodology
Future considerations/work	Potential review of High Needs Funding models for: <ul style="list-style-type: none"> • Resource Provision and Special Schools • Early Years • Post-16