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Children and Families Overview and Scrutiny Committee

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

Portfolio Holder: Cllr. Kathryn Flavell, Portfolio Holder for Children and Families

Senior Officer: Mark Palethorpe, Executive Director of People

1. Report Summary

1.1. Following a previous report to the Committee in 2019, this report provides an update on the work being carried out through the Schools Forum to develop a proposed new model for allocating High Needs top-up funding, along with details of planned next steps for this work. In addition to the progress update, the report provides Committee members with the opportunity to put forward any relevant support and challenge as required.

2. Recommendations

2.1. Members of Children and Families Overview and Scrutiny Committee are asked to:

2.1.1. Note the progress on this work to date.

2.1.2. Provide feedback on the proposed timeline for future activities and intended next steps, including conduct of a second phase of the pilot exercise using a revised version of the proposed matrix and banding system with a small number of mainstream schools.

3. Reasons for Recommendations

3.1. Findings from initial pilot work

- 3.1.1. In October and November 2019 selected pilot schools completed and returned Banding Descriptor Matrices for children and young people with Education, Health and Care (EHC) Plans in their school, along with feedback sheets based on their experience of completing the proposed Matrix.
- 3.1.2. During December 2019 and January 2020 the project team carried out an in-depth analysis of the information that pilot schools had submitted. This returned a considerable number of issues that required further consideration. As a result, the analysis phase of this pilot was extended.
- 3.1.3. To further understand the issues, individual meetings took place with each pilot school to discuss their experience of using the Banding Descriptors Matrix for the children and young people in their setting. We carried out these meetings virtually to ensure that this work could proceed despite the impact of the Covid-19 pandemic.
- 3.1.4. Based on the feedback from the pilot schools, the following actions are now underway and/or planned:
 - A range of meetings have been held with health and education colleagues to make changes to the matrix descriptors.
 - Meetings are being arranged to consider changes to how weightings and formulae are applied and allocated across the matrix.
 - Technical support is being arranged to consider changing how the matrix is presented / formatted.
- 3.1.5. Once all these meetings have taken place, the updated Banding Descriptor Matrix will be shared with pilot schools as the project moves towards launching a second phase of this pilot in the New Year.

3.2. Proposed next steps for development and implementation

- 3.2.1. Updated projected timescales for the High Needs Funding project are shown in the table below:

By when?	Task
Now – w/c 16th November 2020	Update Matrix wording and format based on feedback from 1 st phase of pilot scheme (including 1:1 meetings with pilot schools). Includes meeting/gaining input from wide variety of professionals (e.g. Educational Psychologists, Cheshire East Autism Team, Speech and Language Therapy, Occupational Therapy/Physiotherapy, Child and Adolescent Mental Health Services (CAMHS)) on wording changes.
w/c 16th November 2020	Share updated wording and format with pilot schools (for feedback on whether improvements have resolved issues raised in 1 st phase of pilot)
w/c 16th November 2020 – 19th February 2021 (end of Feb half term)	Revise Matrix weightings, formula overrides, Matrix scores associated with each band, and financial amounts assigned to each band.
w/c 22nd February 2021	Launch 2 nd phase of pilot (pilot schools to use revised matrix on combination of pupils with new EHC needs assessment requests and previously completed pupils with EHC Plans)
23rd April 2021 (1st Friday of Summer term) (TBC closer to the date)	Deadline for pilot schools to return completed matrices from 2 nd phase of pilot
23rd April 2021 – 4th June 2021 (end of summer half term) (TBC closer to the date)	Analysis of completed matrices from 2 nd phase of pilot and amendments to matrix (as required)

4. Other Options Considered

- 4.1. The proposed model received positive feedback in both the face to face and online consultations (see below section for details of the consultation exercises), thereby supporting continued exploration of the proposed model.
- 4.2. The issues raised in the initial pilot phase, combined with the impact of the Covid-19 pandemic, necessitated an extension of the pilot phase of this work. We are keen to ensure that we understand the impact of any proposed model before a full implementation is agreed and taken forward.

5. Background

- 5.1. The below sections provide a brief outline of the work that has taken place since the previous report to this Committee in 2019.
- 5.2. Updates on the progress of the High Needs Funding work have been shared regularly at meetings of the Schools Forum.

5.3. Consultation

- 5.3.1. Since the last report to this committee, extensive consultation exercises have been carried out to gather input and feedback on the proposals from a wide range of stakeholders.
- 5.3.2. During June and July 2019, 11 consultation sessions on the proposed changes to the High Needs Funding allocation model were delivered across various locations in Cheshire East to 131 attendees, which included: Headteachers, teaching staff, school governors, Elected Members, health and social care professionals, parent carers and a young person. In addition, 4 separate sessions were delivered to local school SENCOs (Special Educational Needs Co-ordinators) on a single day at the SENCO conference. A separate session was also delivered to Local Authority SEND staff at a service development day.
- 5.3.3. Attendees at the consultation sessions were asked to participate in several exercises, including:
- A SWOT analysis to capture the Strengths, Weaknesses, Opportunities and Threats of the proposed allocation model
 - An exercise to look at the proposed matrix wording and consider how it would work for a child they are involved with, and provide feedback on any changes they think may be required
 - A discussion on how a new model could be implemented
- Feedback from each exercise was captured and used to inform changes to the model and planning of next steps.
- 5.3.4. An invitation was also extended at the consultation events for schools to put themselves forward as volunteers for the pilot phase and we received volunteer numbers far in excess of the number required.
- 5.3.5. In addition to the consultation events, an online consultation was available and promoted between July and October 2019, and included a document outlining the proposals along with questions to gather feedback on both the current system and potential proposed changes. 59 individuals provided responses to the online survey and respondents included: an early years provider, school representatives/school governors, parent carers, health commissioners/providers, a local authority officer and a local resident.
- 5.3.6. The below tables show the results from the online survey when participants were asked to indicate how they felt about the current

High Needs Funding allocation model (the biggest percentage has been highlighted in bold). These results, combined with the feedback from the consultation events and previous intelligence, confirm the need for changes to the allocation model.

	The current method is....	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree	Unsure/ Don't know
1	... is transparent and it is easy to understand how decisions on funding are made	0.0%	12.1%	10.3%	31.0%	39.7%	6.9%
2	... is objective and enables consistent decision making	0.0%	19.0%	15.5%	31.0%	24.1%	10.3%
3	...allows funding to be used flexibly to support a child or young person's individual needs in the most appropriate way for them	1.7%	22.4%	19.0%	37.9%	15.5%	3.4%
4	...is flexible enough to allow needs to be met effectively even in exceptional and complex cases	1.8%	17.5%	12.3%	42.1%	19.3%	7.0%

Please choose the statement that best suits your feeling towards the current model for allocating high needs funding.		
Please select one box only		
Answer Choice		Response Percent
1	The model is very good, no changes are required	1.7%
2	The model is good, but some changes are required	34.5%
3	The model is poor, a moderate amount of changes are required	37.9%
4	The model is very poor, a substantial amount of changes are required	25.9%
5	Please provide any feedback you would like to share to support your answer:	0.0%

5.3.7. Results from the online consultation also strongly supported the principles that we had put forward for a new model. These were as follows:

- **Transparency** - it should be clear to everyone how funding decisions are made
- **Objectivity** - decisions should be consistent
- **Sufficiency and ability to address exceptionality** – the model should provide funding to meet needs effectively, and be flexible enough to do so even in exceptional cases

- **Flexibility** – it should be possible to use funding flexibly to meet the child/young person’s individual needs
- **Acknowledgement of increasing demand and costs** – should be more efficient and flexible use of the High Needs budget to meet need

5.3.8. When asked how strongly they agree or disagree on the proposed change to allocate funding as a financial amount instead of an hourly total, **55%** of respondents either strongly agreed or agreed with the proposal (25% either disagreed or strongly disagreed, and a further 20% responded as ‘neither agree nor disagree’ or ‘unsure/don’t know’).

5.3.9. **67%** of respondents strongly agreed or agreed that the proposed new model will allow for more flexibility in provision, and **58%** strongly agreed or agreed that the proposed new model will improve how decisions are made going forward.

5.4. **Overview of the initial pilot phase**

5.4.1. A matrix working group comprised of a wide range of professionals across education and health was established, and several workshop sessions were held for this group in order to optimise the Banding Descriptors Matrix prior to initiation of the pilot. This group utilised the feedback from the consultation events and online consultation during this optimisation work.

5.4.2. 18 pilot schools were identified, covering different geographic locations, sizes and age ranges (amongst other factors) in order to test the proposed matrix model under different circumstances. The pilot was launched in September 2019 and pilot schools were briefed on the required tasks. As outlined above, pilot schools returned completed Banding Descriptor Matrices and feedback sheets. Results have been analysed, and changes were made to the projected project actions and timescales as a result.

5.5. **Equipment Audit**

5.5.1. In February and March 2020, we also ran an online equipment audit in conjunction with the Council’s Commissioning Service in which educational settings were asked to provide information on equipment that they had purchased to support children and young people with SEND. The information gained through this audit was used by the Council’s Commissioning Service when developing future options for commissioned Equipment services.

6. Implications of the Recommendations

6.1. Legal Implications

6.1.1. Extensive consultation on the proposals has taken place, and we will continue to engage with key stakeholders and give full consideration to legal implications as we move forward.

6.2. Finance Implications

6.2.1. The Council receives approx. £39.9m of High Needs DSG funding (before any deductions for places at academies). 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.

6.2.2. 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.

6.3. Policy Implications

6.3.1. 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.

6.4. Equality Implications

6.4.1. An Equality Impact Assessment has been initiated and will be finalised as part of the next phase of this work.

6.5. Human Resources Implications

6.5.1. There are no direct implications for Human Resources.

6.6. Risk Management Implications

6.6.1. Extending the pilot will facilitate our ability to gain a full understanding of any financial risks (or other risks) before wider implementation.

6.6.2. 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 upon implementation to ensure that children will not be disadvantaged.

6.7. Rural Communities Implications

6.7.1. There are no direct implications for rural communities.

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

6.8.1. 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.

6.9. Public Health Implications

6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

6.10.1. There are no climate change implications for this report.

7. Ward Members Affected

7.1. Any agreed new funding model would apply equally to all children and young people with SEND in all wards of Cheshire East, and therefore implications would be borough wide.

7.2. All members had an equal opportunity to contribute to the previous public consultation for this work.

8. Consultation & Engagement

8.1. Extensive consultation has taken place on the proposed changes, as outlined in section 5 of this report.

9. Access to Information

9.1. There is no additional information.

10. Contact Information

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

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