

ROYAL BOROUGH OF WINDSOR & MAIDENHEAD SCHOOLS FORUM

DATE:	05th March 2013	AGENDA ITEM:	07
TITLE:	HIGH NEEDS PROVISION 2013-14		
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1 SUMMARY

- 1.1 This paper seeks to update members of Schools Forum about the proposed changes to the way in which funding for Special Educational Need will operate from 1st April 2013. It builds on information presented to Forum in September 2012 and at subsequent meetings of the Forum and High Needs Working Group, and provides the latest RBWM position on the funding and operation of High Needs. These changes will affect every provider of SEN services from mainstream schools through to Independent Special Schools and Pupil Referral Units. The changes in how SEN is funded are significant, and it is anticipated that there could be significant system turbulence arising from them.

2 RECOMMENDED ACTION FOR SCHOOLS FORUM

- 2.1 To note the contents of this report.

3 Rationale for change

- 3.1 The Government has stated that funding arrangements for pupils with Special Educational Needs requires urgent reform. Its approach to the reform of high needs funding includes all pupils from birth to 25 and involves transfers of responsibility for funding pupils in the Further Education sector to Local Authorities.
- 3.2 The Government is attempting to ensure that funding arrangements support its plans to introduce a single approach to assessment and planning for young people with SEN. It also believes that there are significant shortcomings in the current SEN funding system and that these should be addressed as a matter of priority.
- 3.3 The Government believes that, an unreformed high needs funding system would impede, rather than facilitate, the development of personal budgets, the local offer, and a single assessment and plan from birth to 25. These are key planks of the Government's reforms of SEN and disability provision. Furthermore, without reform of the current funding arrangements for Alternative Provision (AP), they will not be able to implement the recommendations of Charlie Taylor's review, nor give schools and Academies a greater role in commissioning AP provision.

4 Summary of changes

- 4.1 The key changes proposed are:
- Introduction of a High Needs funding block within the DSG but cash-limited to LAs' high needs spending levels in 2012-13¹
 - A greater focus on the commissioner (Local Authority) / Provider (school) split

¹ The main exception to this is a commitment from the DfE to fund agreed growth in the number of High Needs places at the rate £10,000 per additional High Needs place.

- The introduction of equivalence of funding irrespective of provider (mainstream, Special, Resource or Independent providers)
- The definition of a national threshold of funding (approx £10,000) up to which all providers will be expected to cover the Standard Curriculum cost and the first £6,000 of Additional Educational Need.
- Providing clarity that the cost of SEN above this £10,000 threshold is the responsibility of the Commissioner
- Funding becomes more responsive to individual pupil needs
- Funding for Pre and post 16 pupils is aligned.

5 High Needs Funding Block

- 5.1 Over the last few months, Schools Forum has received several reports on the Schools Budget for 2013/14. These reports have included reference to the fact that the DfE has changed the way in which the DSG is allocated to Local Authorities by splitting it into 3 notional blocks: Schools Block, Early Years Block and High Needs Block.
- 5.2 For 2013/14 these blocks were initially calculated based on expenditure shown in the 2012-13 RBWM section 251 Schools Budget Statement Table 1. The blocks will not be ringfenced, although the DSG will continue to be ringfenced as a whole. During the summer of 2012 the DfE consulted Local Authorities on the construction of these blocks. RBWMs response included the following budgets within the High Needs Funding Block and the DfE has used this submission in building the DSG for 2013/14.

Table 1: High Needs Block - S251 Line Number and Description	High Needs Block
1.0.1 Special School Delegated Budget	4,401,921
Funding delegated to mainstream schools for Statemented Pupils requiring in excess of 15 hours of support	1,231,885
Funding delegated to mainstream schools for Resource Units	511,209
1.2.1 Provision for pupils with SEN (including assigned resources); including funding for Statemented pupils in Academies	743,635
- Less Further Delegation of funding to schools to raise delegated funding to from £5.5k to £6k national recommendation	-149,000
1.2.2 SEN support services; Specialist Autism Service, Sensory Consortium Service,	533,888
1.2.3 Support for inclusion; cognition and learning and other retained budgets	530,453
1.2.4 Fees for pupils with SEN at independent special schools	5,825,998
1.2.7 Inter-authority Recoupment for SEN pupils	-649,930
1.2.8 Contribution to combined budgets – DSG contribution to Respite services	249,800
1.3.1 Pupil Referral Units Primary and Secondary Units and property costs	832,081
1.3.2 Behaviour Support Services – Behaviour Support Partnership	62,710
1.3.3 Education out of school - Berkshire Adolescent Unit	87,720
Various Apportionment of DSG costs in relation to Special School	
1.1.2 Contingencies	1,644
1.6.2 Museum and Library Service	66
1.6.4 Licences/subscription	2,854
1.6.5 Miscellaneous (not more than 0.1% total of net SB)	83
1.6.6 Servicing of schools forums	349
1.6.7 Staff costs - supply cover (including long term sickness)	4,188
1.6.9 Purchase of carbon reduction commitment allowances	681
1.7.1 Other Specific Grants	1,290
1.8.1 Capital Expenditure from Revenue (CERA) (Schools)	926
TOTAL HIGH NEEDS BLOCK	14,224,451

- 5.3 From this point the DfE made a number of baseline adjustments;
- Topslice to reflect the changed recoupment arrangements for Hospital Educated Children. In total the DfE topsliced £161,206 from the RBWM's DSG allocation to reflect its notional usage of Hospital Education services². This was apportioned pro rata between the 3 new funding blocks
 - Adjustments to reflect the changed arrangements arising from the abolition of the recoupment regulations. These adjustments were made using information supplied by Local Authorities on the number of pupils educated in Other Local Authorities.

These changes are shown below;

Table 2: Further Adjustments to the High Needs Block	
TOTAL HIGH NEEDS BLOCK	14,224,451
Topslice for Hospital Educated Children (pro rata to blocks)	-23,670
Recoupment Adjustments for RBWM Pupils Educated in Other Local Authorities	
- Transfer Guaranteed Unit of Funding to RBWM	417,731
- Transfer £10k base place funding to Other Local Authority	-830,000
Recoupment Adjustments for Other Local Authorities pupils educated in RBWM	
- Transfer Guaranteed Unit of Funding to Other Local Authority	-720,199
- Transfer £10k Place Funding to RBWM	1,448,000
Net High Needs Block in 2013/14 DSG Settlement	14,516,313

- 5.4 Schools Forum Members will note that the Budget report on this Agenda identifies a projected Expenditure on High Needs Budgets for 2013/14 of £15.294m. This is greater than the High Needs Block used to calculate the DSG shown in table 2 above by £0.778m. The main reasons for the increase in expenditure on the High Needs block are as a result of agreements made in January Schools Forum:

Table 3: Increase in High Needs Block Expenditure Budget 2013/14	£000	£000
High Needs Block in 2013/14 DSG Settlement (Table 2)		£14,516
Manor Green Increase in Place Numbers	£180	
Manor Green Increase in Need of RBWM students	£425	
Speech and Language Therapy Transferred from LA Funding	£310	
Additional SEN funding for schools where delegated SEN funding is insufficient	£150	
Additional High Needs Top Up Funding arising from Growth in Pupil Numbers	£100	
Post 16 SEN Top Up Funding from transfer of responsibilities for FE	£154	
Early Years SEN and Inclusion Manager (two posts)	£130	
Other	£5	
Reduction in Out of Borough Placements Budget	-£326	
Reorganisation of the PRU	-£200	
Exceptional Needs Budget Structural Underspend	-£140	
Net increase in High Needs Block expenditure		£788
Adjusted High Needs Block 2013-14		£15,295

- 5.5 RBWM expects some of this growth to be funded by a further increase in the High Needs Block DSG for additional High Needs Places. Also, the additional funding for High Needs arising from an overall growth in mainstream pupil numbers has been

² Many LAs, including RBWM, questioned the level of the topslice when compared with their actual spend on hospital education.

funded within the Schools Block Budget. But it remains the case that the DfE has been clear that the High Needs Block will not be adjusted for changes in overall levels of Need between the years in the same way as the Schools block or Early Years Blocks will be for changes in pupil numbers. This is why the blocks will not be ringfenced and Local Authorities will advise Schools Forums on the best way to cross subsidise between individual DSG blocks to set a balanced Schools Budget.

6 Place Plus approach to funding SEN

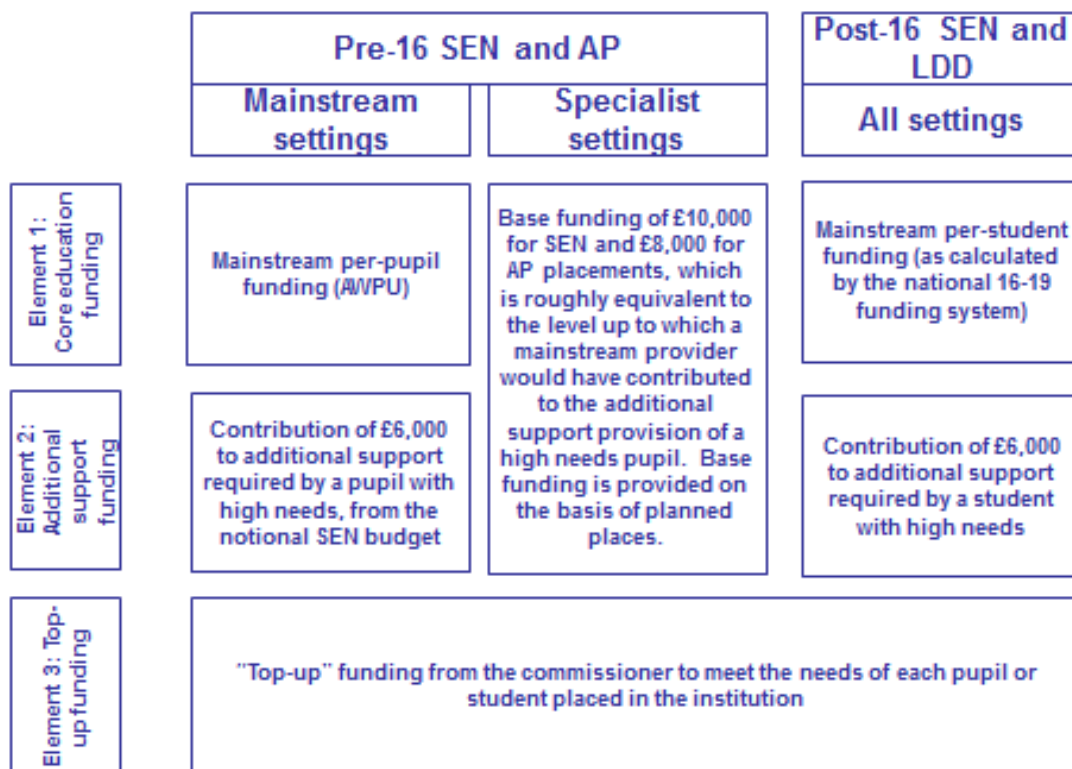
6.1 From 1st April the Government is implementing a 'place-plus' approach to SEN funding which they define as being made up of 3 funding elements as follows;

Element 1, or “core education funding”: the mainstream unit of per-pupil or per-student education funding. In the school sector for pre-16 pupils, this is the Basic per Pupil Entitlement (BPPE), while for post-16 provision in schools and in the FE sector this is the mainstream per-student funding as calculated by the national 16-19 funding system (based on an average of £4,977 per pupil).

Element 2, or “additional support funding”: a clearly identified budget for providers to provide additional support for high needs pupils or students with additional needs up to an agreed level. In mainstream provision this will form part of the delegated budget share known at the 'notional SEN budget'. The DfE is strongly recommending that this funding be set at a maximum level of £6,000 per pupil with SEN. In RBWM this equates to the funding currently delegated for up to 15 hours of support and for which an additional £149,000 was delegated through the consultation and Indicative budgets to take delegated SEN funding up to the DfE's threshold.

Element 3, or “top-up funding”: funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil's or student's assessed needs. In RBWM this equates to the funding delegated for the cost of SEN over 16 hours of support (Exceptional Need).

6.2 The DfE has used the following diagram to describe the new funding arrangements for each kind of provision.



7 Mainstream Primary and Secondary Schools delegated funding for SEN

- 7.1 The DfE described in its documentation on National Funding Changes that funding for placements of high needs pupils in mainstream schools and Academies will be very similar to current arrangements. At present, pre-16 mainstream settings receive a clearly-identified notional SEN budget. Using this, schools and Academies are expected to meet the needs of pupils with high-incidence SEN and to contribute up to a certain level to the needs of high needs pupils.
- 7.2 Under place-plus, mainstream schools and Academies will receive formula funding which will include a notional SEN budget. From this, they will provide a standard offer of teaching and learning for all pupils, including those with high needs. Then, from their notional SEN budget, they will contribute up to the first £6,000 of the additional support costs for high needs pupils. By additional support, the DfE mean the additional education provision that a pupil needs in order to access the school's or Academy's offer of teaching and learning.
- 7.3 Any further funding that is required beyond the £6,000 will be agreed with the commissioning local authority and paid in the form of a top-up from its High Needs Block.
- 7.4 In 2006/07, RBWM delegated funds to mainstream schools for the Needs Weighted Pupil Unit (NWPU). This funding was for pupils with high incidence SEN. Schools Forum agreed to delegate all funds associated with SEN that required up to the first 15 hours of support. In 2012/13, this equated in cash to the first £5,550 of support. The funding was delegated to schools as part of the Educational Need formula and was allocated using proxy indicators for Low Prior Attainment and Indices of Multiple Deprivation.
- 7.5 The September 2012 consultation on school funding formula changes identified how this funding will transfer in its entirety to the DfE prescribed SEN factor and be allocated to Primary schools on Early Years Foundation Stage Profile (pupils with a

score of 78 points or fewer), and at Secondary on underachievement at Key Stage 2 (below level 4 in both English and Maths). In 2012/13 Primary schools received £1.917m and Secondary Schools received £1.759m of funding through these factors. This funding equates to the 'Element 2' funding described above and also the 'Notional' delegated SEN budget.

7.6 In 2012/13 only the first £5,550 of funding has been delegated to schools. This is £450 short of the strong DfE recommendation of a £6,000 threshold. The consultation and Schools Forum agreed to delegate a further £150,000 through the DfE prescribed SEN funding factor, which equates to the funding held for this additional £450 per stated pupil.

7.7 The final delegated SEN unit rates in the schools funding formula for 2013/14 are shown below;

Factor	%age applied to	Unit Rate allocated
Primary Low Prior Attainment (EYFSP less than 78 points)	NOR_Primary	£1,773.82
Secondary Low Prior Attainment (KS2 SATS)	NOR_Secondary	£3,978.26

8 The Notional SEN Budget

8.1 For a number of years now schools have been notified by the Local Authority of their Notional SEN funding as part of their budget settlement. This is funding within the schools formula allocation, provided for the purpose of paying for (Low Cost, High Incidence (LCHI) Special Educational Need (SEN). Local Authorities are still required to identify a Notional SEN budget under the new funding arrangements.

8.2 The DfE has been clear that the Notional SEN budget should not just be made up of funding allocated through the SEN formula factor. The following quotation is included in their document 'Reformed Funding System: Operational Implications guidance for Local Authorities' (paragraph 33).

Mainstream schools will continue to have a "notional SEN budget" and this will be linked to the local offer. The way in which this is derived may need to be reviewed to be consistent with the new limitations on formula factors. The "notional SEN budget" may include some age weighted and deprivation funding, together with any specific SEN factors based on prior attainment. Authorities will, therefore, need to define the "notional SEN budget" as part of their wider mainstream formula review.

8.3 RBWM believes that sufficient funding has been allocated through the SEN formula to support the costs of all pupils with SEN up to a maximum value of £6,000. Where a school considers that the funding in the SEN formula is insufficient to support the costs of its SEN pupils up to £6,000, then RBWM would expect that school to use other delegated funding, in particular funding from deprivation, in line with the DfE's guidance above. The level of provision that RBWM would reasonably expect schools to deliver to pupils with SEN up to a value of £6,000 is set out in "Guidance for Schools on Meeting Additional Educational Needs". This document has been developed by lead professionals in RBWM in consultation with the High Needs Working Group, and will also be the subject of a SENCO training session on 20th March 2013.

9 Where mainstream delegated funding for SEN is deemed insufficient

9.1 The DfE recognises that in some instances the proxy indicators of SEN (EYFSP / KS2 SATS) may not adequately fund a school with a large intake of pupils with SEN or with a small cohort of pupils with significant SEN. This may happen for a number of reasons, some examples are suggested below:

- A primary school which works hard with its pre-school providers to reduce the number of pupils admitted with an Early Years Foundation Stage profile of less than 78 may not receive sufficient funding to reflect the levels of SEN within its school roll.
- Some schools that have built a reputation for providing good support for pupils with SEN may also not be adequately funded through the DfE prescribed SEN factor.
- The arrival of a new pupil with significant SEN may require an immediate increase in cost that is not provided for in the delegated budget.

9.2 In instances such as these, the DfE has agreed that Local Authorities can develop, in consultation with the Schools Forum, an arrangement whereby additional funds can be allocated to schools from the LAs High Needs budget where there is evidence of a shortfall in funding in their Notional SEN budget. These arrangements must be transparent, fair and equitable.

9.3 At its January 2013 meeting Schools Forum agreed to fund a budget of £150,000 to support applications from schools where this is the case. The High Needs Working Group, DMT and Schools Forum have agreed an applications process for schools to access these funds. This is shown at **Annex A**.

10 Mainstream Schools Top-Up Funding for High Needs.

10.1 All funding for pupils with SEN over the £6,000 national funding threshold, ('top up funding') will be allocated to schools by the commissioning Local Authority based upon individually agreed packages of support. This aligns with the DfE's strengthening of the Local Authorities SEN commissioning role. Schools taking pupils from Local Authorities other than RBWM will need to develop a more contractual / invoicing relationship with those commissioners in respect of pupils with SEN requiring over £6,000 of support. Top-up funding for these OLA pupils will no longer be part of a school's delegated budget share from RBWM.

10.2 Final school budgets will include information on the detail of how the Top up Funding arrangements will operate, along with information on the associated accounting arrangements. Schools will also receive notification of their

- RBWM resident pupils for whom RBWM will commission High Needs support and pay Top up Funding at the rates shown at **Annex B**. The proposed Needs Weighted Top up Rates for 2013/14 remain unchanged from 2012/13 other than they have been adjusted to take account of the increase in delegated funding from £5,550 to £6,000 (as described above).
- Other Local Authority resident pupils with the top-up rates that RBWM would have funded if they had been RBWM pupils. It will be schools' responsibility to liaise with the commissioning LA to ensure that income is received in relation to these pupils at an agreed rate, which should not be less than that which is currently paid by RBWM for these pupils.

11 Specialist Settings.

- 11.1 In March 2012 the DfE provided details of a new approach to funding specialist SEN settings, moving from a predominantly place-led funding system to a place-plus approach. Specialist settings are institutions or places in institutions that are set aside specifically for pupils or students with high needs. They include not only Special Schools but Resourced Units in mainstream schools and Academies, Pupil Referral Units, Non-Maintained Special Schools and Post 16 providers such as Further Education Colleges and Independent Specialist Providers.
- 11.2 Under place-plus, specialist SEN settings will receive base funding of £10,000 per planned place. This £10k base funding is designed to create an equivalence of delegated funding between specialist and mainstream settings. It is the equivalent of the combined total of elements 1 (BPPE) and element 2 (delegated Notional SEN budget) shown in the diagram above. The £10k is also meant to provide a degree of stability of funding for specialist settings.
- 11.3 During the summer of 2012 the Education Funding Agency asked all LAs to tell them how many high needs places they intend to provide in Specialist Settings from 1st April 2013. This information has been used to adjust the Dedicated Schools Grant to provide LAs with sufficient funding for £10k for each of these places that they are responsible for. Local Authorities will pass this £10k base funding directly to maintained specialist providers. Academies, Non-Maintained Special Schools and Further Education providers of post 16 High needs support will receive this funding directly from the EFA.
- 11.4 The LA, in discussion with its specialist providers is required to calculate 'top-up rates'. These rates represent the additional cost of placing a child in that institution above the £10k base level of funding provided. From 1st April 2013 Local Authorities will also be required to enter into a more contractual relationship with Specialist Providers on a pupil by pupil basis where they are required to pay top-up funding for that pupil.

12 Special School

- 12.1 Formula funding for special schools will cease to exist from 1st April 2013. Instead Special Schools will receive base funding of £10,000 per place based on the place numbers notified to the EFA during the summer of 2012 and then top up funding calculated on the actual needs of the pupil.
- 12.2 Manor Green (MG) Special School is RBWM's only special school. It is a popular school, and is currently full. RBWM is proposing to increase the number of composite places from 187 in 2012-13 to 200 in 2013-14. Manor Green's 2012-13 budget of £4.402 million was calculated using the following band rates and places:

Band	Rate	Places	Place funding
Band 2	£11,592	19	£220,252
Band 3	£17,288	72	£1,244,709
Band 4	£22,984	51	£1,172,187
Band 5	£25,232	12	£302,780
Band 6	£29,728	12	£356,734
Band 7	£34,224	16	£547,585
Total place funding		182	£3,844,248
Other formula funding			£547,585
TOTAL			£4,401,921

- 12.3 The profile of needs at Manor Green has increased in the last few years. The distribution of places envisaged for 2013-14 reflects current place numbers as provided by MG school and is shown in the table below.

Band	Composite 2012/13 Places	Composite place numbers 2013/14	Change in Composite Place Numbers
Band 2	19.2	35.1	15.9
Band 3	71.5	28.3	-43.2
Band 4	50.5	40.9	-9.6
Band 5	12.2	29.3	17.2
Band 6	12.2	16.5	4.4
Band 7	16.2	49.5	33.3
TOTAL	181.7	199.6	17.9

- 12.4 With the exception of additional funding for agreed growth in high needs places, EFA funding allocations to LAs for high needs have been held at 2012-13 levels. RBWM has allocated additional funding to MG for 2013-14 for the growth in place numbers, for top-up funding associated with the growth in places, and for top-up funding relating to the incremental shift towards higher needs, but this additional funding has had to be found from a redistribution of other high needs budgets (see paragraph 5.4 above). Adjustments have also been made to the budget to reflect the top-up funding for OLA pupils in MG for whom RBWM no longer holds the budget. These adjustments are shown below.

	Opening Budget	Move to Base and Top Up Budget	Reduce ISB to reflect top up funding recovered by school for OLA pupils	Increase in number of places	Increase in Need of RBWM places	Final Budgets
2012/13 ISB	4,401,922	-4,401,922				0
2013/14 Base Funding		1,817,000		180,000		1,997,000
2013/14 Top UP Budget		2,584,922	-1,149,550	175,000	250,000	1,860,372
Total	4,401,922	0	-1,149,550	355,000	250,000	3,857,372

- 12.5 Even with the additional funding, the top-up budget for RBWM pupils at MG (140 of the 200 pupils at the school), using top-up rates based on the 2012-13 band rates, is still some £556k short of the budget available in 2013-14 from our high needs block:

Band	Band Value 2013-14 based on 12-13 rates	Top Up Value based on 12-13 band rates Less £10k	2013-14 RBWM places	Total Value of RBWM top-up
2	£14,527	£4,527	20.88	£94,516
3	£20,223	£10,223	18.84	£192,558
4	£25,919	£15,919	29.37	£467,499
5	£28,167	£18,167	23.1	£419,581
6	£32,663	£22,663	10.81	£244,961
7	£37,159	£27,159	36.72	£997,410
	Total		139.7	£2,416,525
	Available RBWM Top-up Budget			£1,860,372
	(Deficit)			(556,153)

- 12.6 In 2013/14 Special schools will be protected from significant budget turbulence arising from the National Funding changes by a note within the DSG Technical guidance that implements a Minimum Funding Guarantee for Special schools:

in deciding on top-up funding rates for the pupils it will place in special schools maintained by the authority and special academies formerly maintained by the authority, the authority must ensure that the rates for each school are set no lower than at such a rate or rates that, if all the pupils in the school or academy were placed by the authority, and the total number and type of places remained the same in the two financial years, the school or academy's budget would reduce by no more than 1.5% in cash between 2012-13 and 2013-14;

- 12.7 Changes to the way in which RBWM funds Manor Green in order to deal with the deficit described above will be limited because of the operation of the MFG protection described above. Consequently RBWM's options are;

- Seek approval to disapply MFG - RBWM is currently exploring with the EFA the scope for disapplying MFG in light of the particular issues relating to MG. This would enable RBWM to redistribute funding in line with the pupil numbers and their profile of needs as set out by the school, by
 - a) Reducing top up funding rates to recover 100% of the deficit position identified above, or
 - b) Reducing top up funding rates to recover a percentage of the deficit position identified above and identify savings from within other DSG budgets to recover the remaining deficit.

Whilst these reduced top-up rates would apply to RBWM pupils, under the new funding arrangements MG would not be tied to these rates for pupils from OLAs as top-up funding for OLA pupils would be a matter for the school and the commissioning LA.

- Set top-up rates consistent with MFG guidance - This would mean there is a high risk of £550k overspend on the Special School Top up budget for 2013/14. This is based upon the un-moderated pupil numbers supplied by MG school. This option would also require RBWM to review the way in which the DSG is allocated in 2013/14 to identify in year savings to offset the overspend. It would further require the identification of savings in future years from DSG budgets in order to fund the ongoing overspend.
- 12.8 Reducing the top up rates to ensure costs are within the funding envelope available would result in the following top up rates being set. Indicative information from other LAs suggest that these rates are not dissimilar to those being set in the South East for other Special Schools.

Band	Band Value 2013-14	Proposed Top Up Value 2013-14 (Less £10k)	2013-14 RBWM places	Total Value of RBWM top up
2	£12,756	£2,756	20.88	£57,529
3	£17,626	£7,626	18.84	£143,641
4	£22,497	£12,497	29.37	£366,988
5	£23,714	£13,714	23.1	£316,738

6	£27,367	£17,367	10.81	£187,717
7	£31,020	£21,020	36.72	£771,952
	Total		139.7	£1,844,566
	Available RBWM Top-up Budget			£1,860,372
	Surplus			£15,806

12.9 All of the above information represents work in progress for both RBWM and Manor Green School and finalisation of top-up rates for 2013-14 are the subject of ongoing discussion and consultation with the school. RBWM is clear that it intends to ensure that MG is appropriately resourced to enable it to maintain its existing high quality provision. This report will be updated verbally at the meeting if any further information is available to facilitate discussion.

13 Mainstream Resourced Units

13.1 The DfE has stated that from 1st April 2013 the funding regime for Mainstream Resourced Units will look and feel very much like that which will be in place for Special Schools. This means that they will receive a £10,000 funding allocation per place (as agreed with the Education Funding Agency) and then top up funding calculated on the actual needs of the pupil.

13.2 From 1st April 2013 there will be a change to the way in which pupils in Mainstream Resourced Units are counted. Currently these pupils are listed as being on the school role. From 1st April 2013 they will be excluded from the school role. This means that the schools hosting Resourced Unit provision will lose Basic per Pupil Entitlement and any funding associated with specific characteristics of the pupils (Deprivation / Low Prior Attainment, EAL etc.).

13.3 To reflect these changed arrangement two adjustments were made to the 2013/14 ISB to remove both the earmarked Resourced Unit Funding and also the pupil led delegated funding from the ISB and pass it to the High Need block. This funding will now be used to pay for the £10k per place base funding and the Top Up rates for RBWM pupils placed in these units.

13.4 The following table shows the RBWM top up rates for each Resourced Unit in 2013/14. Greater detail on the calculation of these rates is shown at **Annex C** to this report. This proposal will be presented to a meeting of the Resourced Unit Headteachers on 28th February 2013. A verbal update will be provided at the meeting.

SCHOOL	Resource Type	Annualised Place Numbers 2013/14	Base Funding @ £10k per place	Top Up Funding Rate (beyond the Base £10k)	Top Up Funding if Full	Total Funding if Full
Ellington Pri	SALT	16.0	160,000	1,254	20,071	180,071
Wessex Pri	Hearing	16.4	164,167	7,337	120,443	284,610
Altwood Sec	SALT	5.1	50,833	1,284	6,527	57,360
Charters Sec	PD	10.0	100,000	1,970	19,705	119,705
Furze Platt Sen	ASD	12.3	123,333	4,875	60,130	183,464
					226,876	825,210

14 Independent Special Schools and Non Maintained Special Schools

- 14.1 A definition of Independent, Independent Special Schools and Non-Maintained Special Schools is found at **Annex D**
- 14.2 For Independent Special Schools, the DfE has confirmed that from 1st April 2013 they will continue to be funded in the same way as currently. Local Authorities placing pupils in these schools will pay the full fees charged currently. This means that RBWM will continue to incur the costs associated with Elements 1, 2 and 3.
- 14.3 For Non-Maintained Special Schools (NMSS) the Local Authority will transfer the first £10k of funding it holds for its current placements in these schools to the EFA. This represents the costs of Element 1 and 2. The EFA will then commission places in NMSSs based on information provided by the Local Authority. The EFA will pay the £10k base place funding directly to the NMSS. The NMSS will then charge the Local Authority making placements for only the element 3 (Top Up cost) associated with that placement. Appropriate adjustments have been made in the Schools Budget and approved at January Schools Forum to reflect these changed arrangements
- 14.4 In 2013/14 The Local Authority is proposing to hold a budget of £5.039m. This budget has been built based upon the identified individual costs associated with known placements and assumptions about future placements.

15 Pupil Referral Units

- 15.1 In Alternative Provision (AP - Pupil Referral Units – PRUs) the DfE is trying to encourage a ‘sharper and more focussed approach to commissioning, as recommended by Charlie Taylor’. To this end it has confirmed that from 1st April 2013 Pupil Referral Units will have fully delegated budgets and, in addition, they will also be funded in a similar way to the Special Schools and Resourced Units. This means that they will receive a base level of funding per place of £8,000 rather than the £10,000 for Special Schools and Resource Units. Place numbers will again be agreed with the Education Funding Agency. Beyond this base per place funding PRUs will receive top up funding calculated on the actual needs of the pupils.
- 15.2 In 2012/13 RBWM maintains two Pupil Referral Units; The Brocket – Primary PRU and St Edmunds House – KS3 and 4 PRU. In 2012/13 the Local Authority spent £0.810m on these provisions.
- 15.3 As part of the 2013/14 Schools Budget setting process the Local Authority is reviewing PRU provision in the Borough. The Unit Costs for the Primary PRU is currently £22,357 and in the Secondary PRU it is £29,344. It is recognised that the Unit costs of placing children in RBWM PRUs are high when compared with Other Local Authorities. Part of the reason given for this is the difficulties associated with managing this kind of provision in buildings such as the Brocket and St Edmunds House. The DfE has indicated in its document ‘School Funding Reform; Next Steps towards a fairer system’ in March 2012 that...

‘there is very little reliable data on current per-pupil or per-place spend in state-funded AP settings. The data that is available indicates that there is wide variation in the level of funding for PRUs across the country and, that the average annual cost of a PRU is between £15,000 and £18,000 per-place.’

- 15.4 The Local Authority and Schools Forum agreed to achieve £200,000 of savings from the PRU budget in 2013/14. Work on how AP services will be provided in the future is ongoing and further information will be bought in due course. The reconstituted PRU will have 30 places in 2013/14, receiving £8,000 per place (total £240,000). What has yet

to be confirmed is the level of need and type of provision that will be catered for in the restructured service. Top-up funding will be allocated on an individual case by case basis taking account of the full cost of support and funding, where relevant, from other sources.

16 SEN SUPPORT SERVICES AND SERVICES SUPPORTING INCLUSION

16.1 The High Needs Block also supports the following services for 2013/14.

Table 12: SEN Support Services and Services Supporting Inclusion	
SEN Support Services	
Specialist Autism Mainstream Service (commissioned with FPS)	£182,500
Sensory Consortium Joint Arrangement (RBWM contribution)	£315,790
Exceptional Needs Outreach Service (managed by Manor Green) (EJ53)	£76,220
Special Needs Equipment	£31,260
Speech and Language Service	310,000
Subtotal SEN Support Services	£915,770
Services Supporting Inclusion	
Cognition and Learning (EC23)	£314,080
Virtual School	£55,680
Other Services Supporting Inclusion	£146,830
Berkshire Adolescent Unit	£69,400
Teaching and Learning Support for families with disabled children (EK77, EC22, EK18)	£216,820
Subtotal Services Supporting Inclusion	£802,810
Hospital Education Services	
	23,300
TOTAL SEN SUPPORT SERVICES AND INCLUSION RETAINED	£1,741,880

17 POST 16 SEN

17.1 Current Funding Arrangements

17.1.1 In 2012/13, Post 16 High Needs pupils are funded by the following bodies

Provision	Element 1 (Curriculum costs)	Element 2 (AEN Funding)	Element 3 (Top-Up Funding)
Special Schools	LA (Post 16 SEN Block Grant)	LA (Post 16 SEN Block Grant)	LA (Post 16 SEN Block Grant)
Maintained sixth form	EFA (via LA)	EFA (via LA)	LA (Post 16 SEN Block Grant)
Academies	EFA (direct to provider)	EFA (direct to provider)	LA (Post 16 SEN Block Grant)
Further Education Colleges	EFA (direct to provider)	EFA (direct to provider)	EFA (direct to provider)
ISP	EFA (direct to provider)	EFA (direct to provider)	EFA (direct to provider)

17.1.2 For those pupils that are funded by the Local Authority the Education Funding Agency provides a funding stream called the Post 16 SEN Block Grant. In 2012/13 this grant was £363k for RBWM. The grant was originally created in 2002/03 when responsibility

for Post 16 funding passed from Local Authorities to the Learning and Skills Council. The grant supports the costs of SEN in LA Special schools, out of Borough Special Schools and Independent Special Schools along with the costs of statements (above the core curriculum costs) in Maintained sixth forms and Academies.

17.1.3 Since 2002/03 there has been a significant increase in the numbers of Post 16 students with SEN and also an increase in the profile of need. The impact on Local Authorities has been that the level of expenditure for Post 16 students with SEN has become significantly greater than the EFA SEN Block grant. The result of this imbalance between expenditure and funding has meant that Local Authorities have been required to subsidise the Post 16 SEN block grant with funding from the Dedicated Schools Grant.

17.2 Future Arrangements – From 1st August 2013

17.2.1 The DfE has announced that all providers will receive per-student funding for Post 16 SEN through the national 16-19 funding formula (average figure for budgeting purposes is £4,977). Providers will also receive an allocation of £6,000 for each commissioned high needs place. The allocation of these two elements will be based on student data from the last full academic year. Above this level, top-up funding will be provided by the commissioning authority from its High Needs Block. The new arrangements will look like this;

Provision	Element 1 (Curriculum costs)	Element 2 (AEN Funding)	Element 3 (Top-Up Funding)
Special Schools	EFA	EFA	LA
Maintained sixth form	EFA	EFA	LA
Academies	EFA	EFA	LA
Further Education Colleges	EFA	EFA	LA
ISP	EFA	EFA	LA

17.2.2 These new arrangements mean that

- a) Funding responsibility for Element 1 and 2 for Post 16 pupils in Special Schools will move from the LA to the EFA. This will equate to the £10,000 per special school place. The LA has received a reduction in its DSG baseline equivalent to the number of Post 16 places in Special Schools multiplied by the £10k place funding amount. This DSG topslice will be passed back to the EFA who will in turn pass it back to the LA for passporting to Special Schools, much in the same way as post 16 funding is given to maintained sixth forms now.
- b) Funding responsibility for Element 3 for Post 16 pupils in Further Education and ISPs will transfer from the EFA to the LA. The LA has received an uplift in its DSG baseline to reflect this transferred responsibility

17.2.3 RBWM has notified the Education Funding Agency that it wishes to commission 106 places in various post 16 Institutions. The EFA will then commission the providers to make places available and organise provision from 1st August 2013 to accommodate this number of students with High Needs. In doing so the EFA will pay the providers the National 16-19 funding formula amount £4,977 and the element 2 funding of £6,000 for High needs. The local Authority will then pay the element 3 top up costs for each pupil that is placed in each commissioned place.

17.2.4 If the local authority requires more places than have been commissioned on their behalf by the EFA, then the LA will need to discuss with the provider whether they have

a place available for a High needs student and if so the LA will need to pay for the full cost of this additional place (elements 1, 2 & 3).

17.2.5 If the Local Authority is unable to take up all of the places that have been commissioned on its behalf by the EFA then the LA may enter into discussions with the provider about how best to use the funding allocated to it for elements 1 and 2 in support of those students that have taken up commissioned places.

17.2.6 There is an additional complication that arises only in 2013/14 as a result of the part year effect of the changes. This means that the current arrangements continue from 1st April 2013 to 31st July 2013 with the new arrangements only kicking in from 1st August 2013. 1st August is the beginning of the EFA's financial year. This part year effect has been accounted for by the funding adjustment made by the EFA to RBWM's baseline DSG in 2013/14.

17.3 How much will it cost?

17.3.1 The following paragraphs only relate to the financial year 2013/14. Because the new arrangements for Post 16 SEN top up only take effect from 1st August 2013 there is a part year effect of the change during the 2013/14 financial year.

17.3.2 The following table provides an estimate of the cost of 2013/14 Post 16 SEN. It shows the costs of 1/3rd of the year under the current arrangements and the remaining 2/3rds of the year under the new arrangements.

	Places / Pupils	Full year 2013/14
EXPENDITURE		
Out of Borough (NMSS & Indep Special Schools) post 16 placements		
- Independent Special Schools	13	£1,084,754
- Non Maintained Special Schools	15	£556,190
RBWM Special School places Manor Green		
- 23 Place funding from April to August (Paid by EFA from August 2013)		£76,667
- Top Up Funding April to March	23	£268,849
Other LA Special School top ups only (EFA pay places)	10	£211,440
RBWM and OLA Mainstream Sixth Forms	39	£123,914
RBWM and OLA Resourced Units	7	£26,822
Independent Specialist Providers		
- Commissioned querying financial figure	3	£65,081
- Pending Decision	3	£300,000
Further Education Providers	10	£93,333
TOTAL EXPENDITURE	120	£2,807,050

17.4 How much funding is available?

17.4.1 As mentioned above the EFA has moved the old SEN Block Grant of £363,000 into the DSG. In addition they have made a further part year funding adjustment to RBWMs DSG of £154,000. It is anticipated that there will be a full year adjustment made in 2014/15 however, at this time no information on the further 14/15 DSG uplift has been published.

17.4.2 It should also be noted the RBWM has already committed a substantial amount of DSG within the 2012/13 budget and in previous years for Post 16 SEN placements – in particular in Out of Borough Independent Special Schools and Non-Maintained Special Schools and at Manor Green Special School. The following table attempts to summarise the funding available to RBWM to support Post 16 SEN Expenditure as shown in the paragraphs above.

FUNDING		
SEN Block Grant Baseline DSG Adjustment		£362,841
Final DSG Adjustment Announcement 19 th December 2012		£154,342
Add – Element of HN Growth funding (26.9 – 23.3 = 3.6)		£36,000
Less - Element of baseline reduction for 12 of 15 NMSS post 16 placements		-£46,666
DSG subsidy required		£2,300,533
TOTAL FUNDING		£2,807,050

17.4.3 Officers continue to be concerned about the level of subsidy being provided for Post 16 pupils from the DSG which is clearly allocated for Pre-16 pupils. The subsidy of Post 16 High Needs Pupils from the DSG equates to £132 per pre-16 Pupil, which in turn is about £27k per primary, £50k per middle, £82k per upper and £107k per secondary school (per annum).

17.4.4 In January the EFA invited LAs to raise any issues with them about the post 16 High Needs settlement. In response, RBWM has written to Peter Mucklow, (National Director for Young People at the EFA), detailing the issues outlined above and expressing its concerns about the current levels of subsidy. It is officers understanding that there is a national concern about the financial impact of the transfer of Post – 16 SEN Funding to Local Authorities.

18 In Conclusion

18.1 The SEN funding changes proposed by the DfE present the most radical overhaul of SEN funding since the 1990s. It is not clear at this time exactly what the impact of all of the changes will be. The DfE has been clear that this process is about change to amend an outdated funding system and to align funding mechanisms with policy initiatives.

PROTOCOL ON THE ALLOCATION OF ADDITIONAL RESOURCE TO SCHOOLS WHERE THE COST OF DELEGATED RESPONSIBILITY FOR SEN EXCEEDS THE DELEGATED FUNDS PROVIDED

RBWM proposes the following protocol for schools where the cohort of pupils with SEN and the associated costs exceeds the delegated funding.

- The Local Authority will announce at the beginning of each financial year whether it has the funding available to consider applications from schools where the cost of the cohort of pupils with SEN exceeds the Notional SEN delegated budget.
- If a school believes that the cost of SEN below the £6,000 national threshold exceeds the funding delegated to the school through the SEN formula then it may apply to the LA for additional financial support.
- Applications will be made to the Local Authority in a format to be specified and must be approved before submission by both the Headteacher and the Chair of Governors.
- Applications will be made once per annum and must be received by no later than 31st October. Schools applying after this date will only be considered for additional SEN financial support, once decisions have been taken about those schools that meet the deadline.
- All application for additional SEN financial support must be accompanied by a fully costed SEN Provision Map. This map must provide as a minimum the following information:
 - Information on the pupils with SEN and the level of SEN
 - the appropriate amount of additional Teaching / TA support that each pupil requires (up to the £6,000 threshold). This must be consistent with the published guidance from RBWM on what support schools are expected to provide within their delegated SEN Notional Budget.
 - the total cost associated with providing this additional support (along with the calculation of the cost)
 - the currently delegated Notional SEN budget and the consequent shortfall in funding
 - Any other local circumstances which may be placing pressure on the schools ability to meet the costs of SEN e.g. small school, levels of deprivation etc.
- All provision mapping exercises will be peer reviewed by RBWM headteachers and Local Authority Officers (including those with responsibility for SEN, School Improvement and Finance). This review will form part of the SEN funding contingency panel, which will meet during November.
- Only when all applications have been reviewed by the panel and all agreements decided upon will funding be allocated.
- The amounts of additional funding allocated to schools will be dependent upon the following criteria:
 - The total value of applications for additional funding
 - The amount of funding available from the Local Authority.
- Where the total value of applications for additional funding exceeds the funding available then the Local Authority will advise the SEN funding contingency panel on the most equitable way for allocating this funding.
- Decisions made by the SEN funding contingency panel will be final and will not be subject to appeal.
- The Local Authority will notify the school of the final decision on whether additional funding has been approved by December.

2013-14 TOP UP RATES FOR HIGH NEEDS PUPILS IN MAINSTREAM SETTINGS

(PREVIOUSLY NEEDS WEIGHTED PUPIL UNIT (NWPU))

Band	2013/14 NWPU £	13/14 Top-up (NWPU less £6,000) £
(A)	(B)	(C)
5Z	29,094	23,094
4Z	22,523	16,523
4Y	14,635	8,635
4X	10,362	4,362
4W	9,262	3,262
4V	9,262	3,262
4U	8,697	2,697
4T	7,191	1,191
3Z	19,186	13,186
3Y	11,298	5,298
3X	7,025	1,025
3W	5,926	0
3V	5,926	0
3U	5,360	0
3T	3,854	0
2Z	17,740	11,740
2Y	9,852	3,852
2X	5,549	0
2W	4,480	0
2V	4,480	0
2U	3,914	0
2T	2,408	0
1Z	15,364	9,364
1Y	7,479	1,479
1X	3,171	0
1W	2,072	0
1V	2,072	0
1U	1,506	0

Column A = NWPU Band

Column B = Total Cost of SEN additional support (this includes element 2 and 3). The element 2 portion is delegated to schools through the SEN formula (up to a maximum value of £6,000)

Column C = Top-Up Value – This is Column B less the delegated £6,000.

DETAILED CALCULATION OF RESOURCED UNIT TOP UP RATES

SCHOOL	TYPE	2012/13 BASELINE								
		Resource Unit Base Budget 2012/13	Individual Pupil top Up	Delegated Funding transferring to High needs (AWPU / Other Characteristics)	Total Resourced Unit Funding Passed to High needs Block 2012/13	Resourced Unit Funding (excluding Individual Pupil Top Up)	April 2012 Places	September 2012 Places	Annualised Place Numbers 2012/13	Funding Per Place 2012/13
Ellington Pri	SALT	107,669	19,232	54,582	181,483	162,251	15.00	14.00	14.42	11,254
Wessex Pri	HEARING	227,071	0	57,539	284,610	284,610	17.00	16.00	16.42	17,337
Dedworth Mid	NURTURE	28,725	0	0	28,725	28,725	1.00	1.00	1.00	28,725
TOTAL NON ACADEMY AS PER DSG BASELINE		363,465	19,232	112,121	494,818	475,586	33.00	31.00	31.83	
Altwood Sec	SALT	72,575	27,624	51,548	151,747	124,123	11.00	11.00	11.00	11,284
Charters Sec	PD	75,170	13,987	49,523	138,680	124,693	11.00	10.00	10.42	11,970
Furze Platt Sen	ASD	102,951	30,072	45,803	178,826	148,754	10.00	10.00	10.00	14,875
TOTAL ACADEMY SCHOOLS		250,696	71,683	146,874	469,253	397,570	32.00	31.00	31.42	
TOTAL		614,161	90,915	258,995	964,071	873,156	65.00	62.00	63.25	

SCHOOL	Resource Type	2013/14 PROPOSED BUDGET										
		April 2013 Places	September 2013 Places	Annualised Place Numbers 2013/14	Base Funding @ £10k per place	Top Up Funding Rate (beyond the Base £10k)	Top Up Funding if Full	Total Funding if Full	Variation from 2012/13 Funding	Average Place Funding 2012/13	Average Place Funding 2013/14	Percentage Change 12/13 to 13/14
Ellington Pri	SALT	16.00	16.00	16.00	160,000	1,254	20,071	180,071	17,820	11,254	11,254	0
Wessex Pri	HEARING	17.00	16.00	16.42	164,167	7,337	120,443	284,610	0	17,337	17,337	0
Dedworth Mid	NURTURE	NO LONGER A RESOURCED PROVISION										
TOTAL NON ACADEMY AS PER DSG BASELINE		33.00	32.00	32.42	324,167		140,514	464,681	17,820			
Altwood Sec	SALT	8.00	3.00	5.08	50,833	1,284	6,527	57,360	-66,763	11,284	11,284	0
Charters Sec	PD	10.00	10.00	10.00	100,000	1,970	19,705	119,705	-4,988	11,970	11,970	0
Furze Platt Sen	ASD	10.00	14.00	12.33	123,333	4,875	60,130	183,464	34,709	14,875	14,875	0
TOTAL ACADEMY SCHOOLS		28.00	27.00	27.42	274,167		86,362	360,529	-37,041			
TOTAL		61.00	59.00	59.83	598,333		226,876	825,210	-19,222			

DEFINITIONS

DEFINITION OF AN INDEPENDENT SCHOOL UNDER THE EDUCATION ACT 2002

An independent school is defined as any school that provides full-time education for 5 or more pupils of compulsory school age or one or more pupils with a statement of special educational needs or who is in public care (within the meaning of Section 22 of the Children's Act 1989) and is not maintained by a Local Education Authority (LEA) or a non-maintained special school.

WHAT ARE INDEPENDENT 'SPECIAL' SCHOOLS?

Whilst there is no legal definition of an independent 'special' school the DCSF considers that any independent school where at least half of the pupils have SEN and at least 25% having statements it should be considered as a school catering wholly or mainly for children with SEN.

Currently around 250 independent schools are designated as catering 'wholly or mainly' for children with SEN.

An independent school is a school which is not dependent upon national or local government for financing its operation and is instead operated by tuition charges, gifts, and perhaps the investment yield of an endowment.

WHAT ARE NON-MAINTAINED SPECIAL SCHOOLS?

There are over 70 Non-Maintained Special Schools (NMSS) approved by the Secretary of State for Education under Section 342 of the Education Act 1996 as independent special schools. To become approved, NMSS have to be non-profit making, have demonstrated that they operate to a level at least equivalent to state maintained special schools and their day to day running is controlled by a governing body, the articles and instruments of which will be agreed by the Secretary of State.

To keep NMSS status, schools must comply with the Non-Maintained Special School Regulations. Local education authorities are permitted to fund pupils to attend NMSS and, almost without exception, their pupils are funded through the public purse. NMSSs cater for pupils with extreme and/or low incidence difficulties and provide very specialist schooling.

(Source: www.teachernet.gov.uk)