

SEND Funding: Longer term changes – Call for Evidence

Draft Response

Overview

Hertfordshire's view is that a managed approach to high needs provision and funding is key to controlling costs and securing cost effective provision. A managed approach has the following key elements:

- proactive role of local authority
- involvement of stakeholders to develop common understanding
- recognition that SEND funding is not open ended and thus best use must be made of it
- removal of perverse incentives in the funding system

To enable this to operate the DfE needs to give local authorities freedom how to deploy the high needs DSG locally, in collaboration with the Schools Forum, schools and parents.

There are a number of unnecessary technical barriers to local flexibility in the current system, for example:

- restrictions on redeployment of places between institutions
- restrictions on redeploying places funding to other services to make equivalent provision but in a different way
- restrictions (in the minimum funding guarantee) to adjusting top up levels for special schools to reflect changes in the size of the school (in general as a school gets larger the top up per pupil should reduce as the fixed costs of the school are spread over a larger number of pupils).
- requirement that mainstream schools must fund the first £6K of the additional costs of high needs pupils.

Hertfordshire supports the removal of these barriers so that authorities have greater local discretion about how to use their high needs funding, subject to provisos (e.g. consultation with schools and parent/ carer Forums and evidence of good outcomes and value for money).

Responses to specific questions in call for evidence

Q1. The number of high needs pupils is clearly linked to the size of the population of young people in a local authority area. We are not clear that a correlation has been established between the incidence of high needs pupils and any other indicator. Although lower levels of SEN have some correlation to indicators such as prior attainment and deprivation we are not aware that this is the case for high needs. We therefore suggest using population as the indicator for distributing high needs DSG to authorities, weighted by an area cost factor to reflect the higher cost of London and the South East.

- Q2. The current pattern of provision is likely to be the product of historical factors and the level of funding that is currently available. It is not appropriate to base future funding on the current pattern of provision as this will simply perpetuate the current system under which DSG funding is based on historic spend. It would be appropriate to include transitional arrangements over say, 3 years, to smooth the impact of the introduction of the new formula.
- Q3. There are areas of the country where authorities have established collaborative arrangements. However, it would be unhelpful to force artificial collaborative arrangements on authorities in areas where these have not grown organically.
- Q4. For high incidence, low cost SEN, prior attainment, deprivation and mobility are appropriate funding factors. However, issues arise with the particular measures of these used in the primary and secondary funding formula -for example free school meals data is distorted by the impact of universal free meals entitlement for infant pupils.

We understand that the DfE is researching new measures of deprivation for use in school funding but we do not know the outcome of this work. With prior attainment it would be helpful if authorities could introduce greater differentiation into the data. For example, in the current DfE prior attainment data set, all children scoring below a threshold are counted. No distinction is made between those scoring only slightly below and those scoring substantially below the threshold. In Hertfordshire's own school funding formula, which was replaced by the new national arrangements in 2013-14, the gap between a child's prior attainment score and the threshold was taken into account.

- Q5. No proxy indicators that we have looked at accurately reflect the incidence of high needs pupils in individual schools. The distribution of funding through the school funding formula to support schools' £6K contributions for high needs pupils can be wasteful. Schools with no high needs pupils receive a share and schools with many high needs pupils can be inadequately funded. More work needs to be done to ensure that the funding system does not dis-incentivise mainstream schools, from including pupils with high needs.
- Q6. There are examples where devolving high needs funding to clusters of schools has proved effective in facilitating a managed approach to high needs provision. This assists the development of a common understanding on how funding can be targeted.
- Q7. See answers to questions 4, 5 and 6 above
- Q8. It would be helpful if the DfE set out clear criteria for what services other agencies (e.g. the NHS in respect of therapy provision) should deliver. This would facilitate securing appropriate contributions.

The restrictions on combined budgets in the School Finance Regulations are unhelpful in encouraging collaborative funding from different budgets.

- Q9. Irrespective of how resources are allocated to institutions, personal budgets are only one aspect of the personalisation agenda and the key issue is that there should be transparency in the systems for allocating funding at every level.
- Q10. Hertfordshire distributes funding for low cost SEN to nursery schools and classes based on IDACI data. Following consultation the equivalent funding for PVI providers is held centrally and used to provide a SEN support service to the PVI sector. This reflects the fact that many PVI providers are small and would receive an amount of SEN funding that would be insufficient, for example, to employ a SENCO. For high level SEN, early years settings receive allocations for named pupils from the high needs block, on the same basis as primary and secondary schools, except that there is no deduction in respect of a £6K contribution from the budget share.
- Q11/12 Hertfordshire has on occasion previously used the DSG CERA budget to support capital investment to modify/ expand specialist provision. This is no longer permitted by DfE regulations and there are no other funding sources for this. It would be helpful if authorities were given the flexibility to use the high needs block to fund CERA relating to high needs. This would facilitate “invest to save” schemes to reduce ongoing revenue costs by modifying existing accommodation or establishing new provision.
- Q13. Authorities would develop local provision because it is often cost effective and in order to provide better for pupils needs.
- Q14. Yes
- Q15. The key criterion used to allocate capital maintenance funding is condition. (This is the same across all sectors.)
- Q16 Under the Developing Special Provision Locally Agenda, stakeholders are informed on the pattern of current use of provision and have the opportunity to influence future development using a wide range of data.
- Q17. See answer to question 3.
- Q18. These funds should be added to the DSG high needs block and distributed as revenue funds but with authorities given the opportunity to spend high needs funding on capital through the CERA route. This would maximise flexibility and minimise bureaucracy.

