

TITLE OF REPORT: Education Support Centre Funding Review

Report of the Director of Children's Services

Author - Richard Woodard

Tel:- 01442 453224

1. Purpose

- 1.1 This paper describes the funding review that has been completed in relation to Education Support Centres during the 2018/19 academic year.

The paper has been prepared for Schools Forum.

2. Summary

- 2.1 After agreement of the Schools Forum, a new funding formula was implemented for 2018/19 that was based on distributing funding via DSPL areas according to need; the distribution of funding was based on DSPL model indicators.

At the same time the total overall budget for ESC provision increased by £1.3m in order to meet rising need and to ensure that no individual DSPL area lost funding.

The outcome of the new funding distribution was that on implementation seven of the nine DSPL areas received uplift in place numbers and therefore overall funding.

Over the last 3 years most areas have experienced an increase in demand for ESC places. This is due to an increase in the number of children at risk of permanent exclusion or that have been permanently excluded from mainstream schools.

In terms of benchmarking, as an authority Hertfordshire spend proportionally more of the High Needs Block funding on AP provision (14%) compared to the national average (10%) and statistical neighbours (7%) - source Impower.

Earlier this year Schools Forum agreed uplift in funding of £100k for each of the two areas that did not receive an increase in place numbers in 2018/19. The paper demonstrated the need in both areas to increase place numbers by 5 per area to meet a rising and different demand not covered by the current funding

formula. The two areas were St Albans/Harpenden - DSPL 7 and Dacorum - DSPL 8.

Funding Increase				
	2017/18	2018/19	Increase £	Additional Funding
DSPL1	901K	1,069K	168K	
DSPL2	963K	1,145K	182K	
DSPL3	1,033K	1,211K	178K	
DSPL4	848K	986K	138K	
DSPL5	875K	1,051K	177K	
DSPL6	595K	714K	119K	
DSPL7	1,262K	1,264K	1.5K	100k
DSPL8	1,365K	1,365K	0K	100k
DSPL9	1,467K	1,823K	357K	
TOTAL	9,309K	10,629K	1,320K	

3. Recommendations

- To continue using the DSPL Model Indicator to distribute funding
- Further review the funding of ESCs when the Timpson Review of Exclusions recommendations are acted upon.

4. Background

- 4.1 The new funding arrangements were agreed at Schools Forum for introduction in 2018/19 but on the agreement that the funding model would be further reviewed and consideration was given to the methodology used to distribute funding to the nine DSPL areas.

In May 2019 the DfE published Edward Timpson's Review of Exclusions. A number of recommendations have been proposed in how schools and Local Authorities deal with exclusions. In relation to funding school behaviour and alternative provision, it is likely that there will be significant changes which will need to be considered when they are known.

The focus of the Behaviour Work steam is to develop more preventative strategies with the aim of tackling the increasing need for AP provision.

5. Findings

- 5.1 Working with the Behaviour Work steam, a number of different factors were considered.

Many authorities use similar methodologies to distribute funding to localised areas, whilst these do differ, the main indicators used are pupil numbers,

number of schools prior attainment and deprivation. Similar to HCC's model Indicator.

An area that was given consideration was an element for split site funding. Of the 7 provisions, currently 5 are split-site and 2 are single site, given that a majority are split-site, a new element introduced into the funding formula, would not have a significant impact/change unless there was an increase in overall funding.

This current review has not considered any further increases to ESC funding, but has focused on the methodology of distribution.

Using differing indicators to different proportions does change the distribution for some DSPL areas, it is open to debate how best to identify need across areas and distribute funding equitably.

With no overall increase in AP funding proposed any financial gains or losses for would need to be phased to protect provisions from suddenly losing funding.

The factors therefore to take into consideration are:

- The current distribution has been introduced recently and provisions are still becoming accustomed to the changes in funding
- There is no proposed increase in overall funding therefore any change would introduce turbulence into the system both for funding and places
- Any changes to funding would need to be phased to protect provisions losing funding
- A conclusion that the DSPL model Indicator is a reasonable way of distributing funding
- It is highly likely that the outcome of the recommendations made by The Timpson review will lead to a need to consider funding changes

The considerations have been discussed at the Behaviour Work stream, and recommendations to put to Schools Forum have been agreed.

In comparing to other funding models it was found that whilst the methodology used is reasonable, other authorities funding arrangements are more explicit in the how the funding meets the SLA. For example having clarity on how much of the total funding provided is for outreach and providing 6th day provision.

This is an area that the Behaviour Work stream will be considering.

6. Conclusions and recommendations

- 6.1 Forum is recommended to support the proposals set out in this report and the recommendations listed in Section 3.