

Update on the development of a new Multiple Case Funding (MCF) system

Report of the Director of Children's Services

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1. Purpose

- 1.1 To update School Forum on planned changes to the High Needs Multiple Case Funding system, which supports the new Top-up High Needs funding (HNF) arrangements in mainstream schools

2. Summary

- 2.1 A new system will be needed that supports the new high needs top-up funding arrangements.
- 2.2 It is intended that the new system will keep within the current £3.4 million of allocated funding.
- 2.3 The new system will keep within the current DfE guidelines of supporting a minority of schools.
- 2.4 Schools were notified in April that Multiple Case Funding (MCF) has been frozen and that a new system would be introduced when ready.

3. Recommendations

- 3.1 The Schools Forum is asked to recognise and note:
- Further work and testing are needed to fully develop an effective methodology for Multiple Case Funding
 - It will not be possible to implement a new system from September to coincide with the launch of the new high needs top-up funding arrangements in mainstream schools.
 - A paper will be presented to Schools Forum for consideration/consultation in the Autumn term with proposals for a new system – with a timescale of April 2021 implementation
 - The existing MCF system will continue for eligible schools during the Autumn and Spring terms. As funding has been frozen, no new cases will be added and any CYP that leaves the school will be removed from the

funding calculation, (including CYP transitioning/moving from one school to another). Funding will be recalculated on a termly basis. With the introduction of a new system it is possible that some form of transitional arrangements may need to be put in place to support those schools that experience a significant loss of funding.

- 3.2 The Schools Forum is asked to support the approach that the new system for Multiple Case Funding must operate within the existing £3.4m budget.

4. Background

- 4.1 As a response to the 'Meeting Mainstream Complex Needs Review (October 2019) HCC is implementing a process which delivers top-up funding for CYP with EHCPs, via a transparent banded system.

- 4.2 With the change of system it has been necessary to review the current Multiple Case Funding arrangements to ensure that they work effectively alongside the new high needs top up funding system.

- 4.3 DfE guidance regarding Multiple Case Funding states:

It is expected that schools will meet the first £6,000 of additional support costs from delegated funds within school budget share. Agreed per pupil top up funding will be paid by commissioning local authority i.e. the funding based on approved banding levels. In addition, LAs can award funding where schools have a disproportionate number of pupils with High Needs. It is expected that this will be for the minority of schools

5. The current system

- 5.1 The current system is based on a threshold relative to a school's size. Once a school has passed its threshold for the number of CYP receiving high needs top-up funding, for each case over the threshold the school receives £6k along with the relevant top up funding. This is intended to support schools that have a disproportionately high number of CYP with high needs, to meet the first £6k of additional support.
- 5.2 For primary schools, the threshold is the number of forms of entry, i.e., for a 1 FE school, the threshold is 1.
- 5.3 For secondary schools the threshold is lower at 0.5 per forms of entry, i.e. for a 6 FE school, the threshold is 3.
- 5.4 Under the current system approximately 50% of schools are in receipt of MCF. The amount received varies between schools depending on their threshold and their number of ENF cases. The 'Meeting Mainstream Complex Needs Review provided data to indicate the distribution of MFC across schools:

Primary Schools	
Annual receipt of MCF per school	No of Schools in receipt of MCF
£80k+	1
£40k - £50k	2
£30k - £40k	4
£20k - £30k	27
£10k - £20k	66
£1k - £10k	121
£0	182

Secondary Schools	
Annual receipt of MCF per school	No of Schools in receipt of MCF
£100k+	1
£50k - £60k	2
£40k - £50k	3
£30k - £40k	2
£20k - £30k	5
£10k - £20k	5
£1k - £10k	18
£0	47

- 5.5 The current system has benefits, is simple to understand, administer and is popular with schools that are in receipt of MCF
- 5.6 The 'Meeting Mainstream Complex Needs Review reported how the funding and proportion of schools in receipt of MCF had increased in recent years:

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20 projected
Total of Multiple Cases Payments (£)	2,232,000	2,162,000	2,023,000	2,000,000	2,301,000	2,996,500
Total No. of Mainstream Schools	485	486	486	486	487	487
No of Schools in receipt of Multiple Cases	242	227	223	216	249	257
Percentage of Schools in Receipt of Multiple Cases	49.9%	46.7%	45.9%	44.4%	51.1%	52.8%

The actual spend on multiple cases in 2019-20 was £3.4m, on which the budget for 2020-21 is based.

- 5.7 With the new HNF system an additional 1,500 CYP with EHCPs have been banded of which 980 become eligible as part of a school's eligibility for MCF. If MCF thresholds were left as they are, 76% of schools would be in receipt of MCF, and the additional cost would be c£4.6m taking the total to c£8m.
- 5.8 To work within the current budget of approximately £3m, thresholds would need to increase by multiples of 2.25 for Primary and 4.5 for Secondary, resulting in 46% of schools being in receipt of MCF.

- 5.9 The above modelling does not take into account new cases and the likely continued increase in EHCPs.

6. Other options

- 6.1 In most cases other LAs spend significantly less on Multiple Case Funding and fund a smaller proportion of schools. There are a number of different approaches in use across different LAs.
- 6.2 Modelling is being undertaken to develop a new system. This work on possible alternative options is ongoing and will be completed early in the Autumn term.

7. Conclusions

- 7.1 It is intended that proposals for a new system will:
- keep within the current £3.4m budget
 - ensure a minority of schools will be eligible
 - support schools with a disproportionately number of High Needs CYP.
- 7.2 The introduction of a new system may see significant levels of turbulence, caused by the eligibility criteria changing from ENF funded CYP to CYP with EHCPs. Therefore, some transitional arrangements may need to be considered alongside the introduction of a new system to support schools if they stand to lose funding in overall terms.