

EXECUTIVE SUMMARY

Meeting Mainstream Complex Needs: A Review of Hertfordshire County Council's Exceptional Needs Funding

1. Background

Between April and September 2019 an internal review was carried out on the way in which Hertfordshire County Council meets complex needs in mainstream schools/settings through 'Top-Up' funding. The current system is known as Exceptional Needs Funding (ENF).

Commissioned by Hertfordshire County Council, the review was undertaken in the context of the increased national and local focus on rising demand and expenditure on children and young people with SEN and Disabilities (SEND); and the impact this has not only on the lives of children with SEND but also on high needs spending across the whole education and children services system. It takes account of continued concerns from local schools/settings and parent-carers about the current system for top-up or exceptional needs funding, and in particular the view that many Children and Young People (CYP) in Hertfordshire are not receiving the funding they require to support their needs in mainstream education.

The review is part of Hertfordshire County Council's commitment to transform the SEND system and to ensure more sustainable funding and provision in the future. The recommendations clearly set out how incentives in the system might be better aligned to support inclusion in our mainstream schools and our commitment to work with local schools and partners to support all young people with SEND as a collective endeavour.

2. Methodology

The review was overseen by a project stakeholder group including representation from parents, schools and local authority officers. It consulted widely with stakeholders and undertook benchmarking with other local authority models. It makes 24 general recommendations that offer improvements or alternatives, and in addition identified 3 key options for putting in place a more sustainable system to meet complex needs in mainstream schools.

3. Aims of the review:

- Evaluate and review the arrangements for accessing top-up funding for pupils with specialist educational needs and disabilities (SEND) in Hertfordshire mainstream schools and settings

- Ensure that there is an effective funding system to support children and young people with complex needs to achieve successful outcomes in mainstream school and settings
- Align with Transforming SEND Services, maintaining a commitment to local collective responsibility, ensuring that resources are used equitably and directed to need rather than determined by parental/individual school demand

4. Key deliverables:

- Review the current funding arrangements, investigate other authorities' models
- Understand the limitations of the current system and consider what can be improved or offer alternatives
- Provide recommendations for the SEND Leadership Group to consider

5. Main findings:

The overriding finding of this review is that Hertfordshire's current arrangements do not provide 'Top Up' funding to all CYP with complex needs in mainstream education. This is due to pressures on budgets, stakeholder engagement with current ENF system and inherent barriers within the ENF system.

5.1 Budget sufficiency

The review found that in comparison to 'statistical neighbour' local authorities, Hertfordshire spends significantly less of its High Needs Block funding on meeting the needs of complex needs CYP in mainstream education.

Statistical Neighbour	Primary 'Top Up' funding £ per 2-18 resident	Secondary 'Top Up' funding £ per 2-18 resident
Hertfordshire	£21	£7
Buckinghamshire	£66	£40
Cambridgeshire	£53	£49
Central Beds	£72	£16
Bracknell Forest	£21	£16
Oxfordshire	£27	£24
West Sussex	£26	£20

Under the current ENF system, the budget this year has proved to be insufficient. The review found that there will need to be a significant increase in available future funding to meet the needs of complex needs children in mainstream schools/settings.

This financial year the ENF budget of £7.8m is predicted to overspend by £1.5-£1.8m as demand outstrips the planned budget.

ENF supports over 1,100 CYP with complex needs each year; 27% do not have an EHCP and 73% do. There are a further 1,400 CYP in mainstream education that possess an EHCP but do not receive any funding. If these CYP were funded at the average level of ENF awarded to a successful application, it is anticipated that the cost would be approximately £7m – although this is a notional estimate and will be further refined as part of the implementation programme.

DSPL	ENF Only	ENF & EHCP	EHCP Only	Total
DSPL 1	18	68	136	222
DSPL 2	52	85	154	291
DSPL 3	47	101	147	295
DSPL 4	30	83	123	236
DSPL 5	43	80	134	257
DSPL 6	14	43	93	150
DSPL 7	32	114	174	320
DSPL 8	37	107	152	296
DSPL 9	47	166	290	503
Total	320	847	1403	2570

The review recommends that this issue is addressed and that further modelling is undertaken to understand at what level future funding needs to be set.

Schools/setting reported that they are unable to meet the needs of some of their CYP under the current process. If they had access to funding, they could meet the needs of more complex CYP, negating the need in some circumstances for parents/carers to seek a place for their child in the special school sector or out of county provision. Parent/carers cite this lack of funding as a reason for looking to other sectors.

This is placing an increased risk on needing more special school places in the future. In comparison to their statistical neighbours, Hertfordshire currently spends more on specialist provision giving some substance to the widely held view that insufficient funding of mainstream schools has created the necessity of parents/carers seeking specialist provision.

Top up funding £ per 2-18 resident	Hertfordshire	Five closest Statistical Neighbours
Early Years (mainstream)	£1	£2
Primary (mainstream)	£21	£38
Secondary (mainstream)	£7	£24
Special schools and academies	£93	£81
Total	£122	£145

Funding is distributed to DSPL areas via a model indicator that is used to distribute High Needs funding to a range of services. Analysis of this methodology found it to be broadly in line with demand and therefore the review found it a sound way of allocating available funding across areas.

Multiple Case funding to support schools with a higher number of children with complex needs is calculated at £3m this financial year and as such is a significant part of the total ENF budget. In principle it is sensible to offer support to schools that have a higher number of CYP with complex needs. DfE guidance highlights the importance of supporting the most inclusive schools and suggests that this group of schools will be in the minority.

On investigating this aspect of the current system, it was found that approximately 50% of schools are supported through this fund. In answering the question if the right schools are in receipt of the funding, it was possible to find schools with a similar profile with either significantly less multiple case funding, or none at all.

This variance is likely to be due to the current engagement issues with the ENF system, rather than an appropriateness of distribution. If schools do not make applications, they will not trigger multiple case funding. If confidence returns, then a similar system is likely to be a reasonable way of allocating funding and supports the notion of inclusivity. However, further financial modelling of the thresholds will be required and potentially some adjustment to ensure that this element of funding is focused on the schools most in need. A link to the schools notional SEN budget and numbers of children identified with SEN/EHCP's should be considered within the formula.

Recommendations have been made to model other options and consider how best to support schools/settings that have a higher number of CYP with complex needs.

5.2 The current system (ENF)

There is a disconnect with the ENF system which can be tracked back to the summer of 2015 when the system was not able to cope with demand. Since then both schools/settings and parent/carers overwhelmingly feel that there are issues with the

current system and this has resulted in a loss of confidence. This is partly due to barriers within the system but also because of a belief that applications will not be successful. There needs to be an urgent focus on resolving the process issues that schools are experiencing, by eliminating the barriers and enabling schools/settings to access necessary funding.

It is a priority to enable stakeholders to have confidence in a system in order for them to re-engage with a process to secure funding. Transparency, regular communication and feedback are required from an overall accountable person for users to understand, re-engage and have confidence in the system. The review has made a number of recommendations to support this, including actions to manage service users' expectations, accountability and transparency.

Equally significant is a strong view from stakeholders that the quality of the application is a determining factor in its success, as opposed to the needs of the CYP; and that in particular less experienced SENCos or those new to the system would be less successful at securing funding.

The review has made recommendations about supporting schools/settings to provide equity of access to funding.

There were also suggestions that SENCos sitting on area panels were more likely to have successful applications. On investigation, whilst sitting on any panel gives an insight into a process and is effective CPD, there was no evidence to support this view. The system used on area panels is robust and analysis of multiple case funding shows no correlation between the number of successful cases and panel membership. There were examples of panel members having larger than average numbers of funded cases, however there were other panel members with very few or no multiple needs funded cases.

A localised system where professionals make decisions is highly valued by stakeholders. Cluster and panel members believe in the process and are effective in their role. From the wider stakeholder group, there were concerns raised over the consistency of decisions from both clusters within areas and the consistency between area panel decisions.

This is an area that needs to be addressed as there was some evidence that different panels have different thresholds and approaches to cases. For example some panels adjust hours to be able to support more cases, which is inconsistent with the ENF guidance but an understandable approach in the light of budget pressures.

These concerns could have been minimised/resolved by regular communication and transparency with stakeholders.

The review has made recommendations around equity of decision making, panel membership and moderation.

The disconnect is more apparent within the secondary sector, where applications for ENF are significantly lower than for the primary sector. This needs swift intervention as there is an increased risk that by the lack of engagement from secondary schools, pressure is being created on other parts of the system, leading to the potential increase in parent/carers looking at specialist provision (either maintained or out of county).

The review found that as the application process is paper based, it is reliant on considerable administrative support to reproduce paper copies of applications which are then distributed to panel members prior to the panel sitting. The issues identified with this approach were high cost, environmental impact and risks associated with GDPR.

The review has made recommendations around the application process and recommends that any new system is moved online to provide a more efficient and secure process.

This year's total ENF budget was set at £7.8m. Significant amounts of this funding were already committed or ring-fenced for the continuation of already funded cases, multiple case funding, CYP awaiting special school places and tactile learners. The result is that only £635k of this funding was available for 'new cases'.

After this committed funding was subtracted from area panel budgets, at the start of this financial year two area panels had no funding to allocate to new cases. A further three panels had funding of less than £100k to last over three terms of panels. The review therefore questions why the inevitable overspend for this financial year was not predicted far sooner and clarity given to panels before they sat in the summer term. As the numbers of funded cases rise each year, more of the available funding will be committed prior to panels sitting. Despite a low reapplication rate of 43% the review believes that more could have been done to model and predict future funding requirements more accurately.

The review therefore recommends that there needs to be greater internal scrutiny/analysis and monitoring of any system and has set out recommendations to provide this.

The review found that the process of using area panels to allocate the £635k of available funding was comparatively costly as in total annual costs of £60k are paid to schools of panel members sitting on the ENF and ENAG panels. This is significant and equates to c10% of the total funding available to panels.

The review has made recommendations on panel efficiency and providing a cost-effective system.

Stakeholders reported that they find the separate systems for applying for statutory assessment and funding to support CYP with complex needs both time consuming and frustrating. Schools/settings stated that they were often in a dilemma as to which process to begin first. Both are lengthy processes where there is duplication of information, this takes significant and unnecessary SENCo time to complete two independent processes.

The review found other areas where consideration should be given as to how CYP with clearly identified needs can be fast tracked to provide 'Top-Up' funding. In particular there were examples in Early Years where similar duplication exists to secure funding.

The review recommends that a simplified and more efficient process is developed that allows CYP with EHCPs to be considered automatically for 'Top Up' funding and that duplication of processes is removed.

Transition points, especially between Primary and Secondary were found to be a concern, the number of CYP with funding drops significantly at this transition point.

Percentage of ENF funded cases:

Sector	Summer 2017	Autumn 2017	Spring 2018	Summer 2018	Autumn 2018	Spring 2019	Summer 2019
Early Years – PVI	7%	6%	6%	8%	4%	5%	5%
Early Years - M Nurseries	8%	5%	6%	7%	4%	6%	7%
Primary	68%	71%	71%	70%	71%	71%	72%
Secondary	16%	17%	16%	14%	20%	17%	15%
Post -16	1%	1%	1%	1%	1%	1%	1%

When comparing to the proportion of applications received at area panels, this shows a disconnect with the current system from Secondary Schools:

Applications %	Summer 2017	Autumn 2018	Spring 2018	Summer 2018	Autumn 2018	Spring 2019	Summer 2019
Early Years	37%	30%	39%	30%	33%	18%	26%
Key Stage 1	21%	28%	24%	24%	27%	33%	30%
Key Stage 2	30%	31%	28%	35%	31%	39%	34%
Key Stage 3	9%	7%	6%	9%	7%	9%	8%
Key Stage 4	2%	3%	2%	2%	1%	1%	1%
Key Stage 5	0%	1%	0%	0%	0%	0%	1%

Applications %	Summer 2017	Autumn 2018	Spring 2018	Summer 2018	Autumn 2018	Spring 2019	Summer 2019
Total	100%	100%	100%	100%	100%	100%	100%

The review has made recommendations to address this.

The 2015 review recommended considering the option of more flexible financial allocations rather than limiting these to funding for LSA hours. Stakeholders reported that they would prefer more flexibility over how they met a CYP needs, many talking of funding therapies rather than LSA's. Whilst some schools stated that they interpreted the conditions of funding more flexibly and used it in more creative ways, a majority felt bound to only use the funding for 1:1 support due to the need of requesting a number of hours on the application form.

The review has made recommendations around moving to a monetary value and allowing schools/setting to be more creative on how this is used to support CYP needs. In addition, a recommendation has been made to consider the reintroduction of a cluster of need option. Schools/settings reported strongly that this was very beneficial and a cost effective way of meeting the needs of more CYP.

Many stakeholders raised the issue of accountability. There is no monitoring of how funding is used in schools and whilst there is no evidence that funding is misused, it shows more a mistrust of the system by stakeholders. Transparency and communication of where funding is awarded to local stakeholders would help to reassure and dispel concerns.

'Top Up' funding comes from Hertfordshire's High Needs funding and as such, the authority has a duty to ensure that the funding is having maximum impact in meeting the needs of CYP with complex needs. Currently there is no monitoring or accountability for this funding except on reapplication.

The review has made recommendations that a simple non-intrusive method is developed to ensure that funding is used effectively.

The review was not provided with data relating to the numbers of applications rejected either at cluster or panel level. Until very recently, no data is recorded as to the numbers of applications that are turned down at clusters. System data is only available from the point of application to panel. This is a weakness of the system as true historical data on successful/unsuccessful applications is not known.

It has therefore not been possible to provide clarity on the numbers of applications that have to reapply either at cluster or panel and whether these were turned down due to not meeting a threshold or poor quality of application. Data was also not available on

the numbers that are successful on second application. Stakeholders did report an inconsistency of approach whereby some clusters allow for the redrafting of an application and resubmission, whereas other clusters do not support this approach.

The review has recommended further investigation on successful/unsuccessful applications.

Other recommendations have been made to address concerns raised by stakeholders including:

- Inclusion of parent/carers in the process to provide opportunity for parental/carer engagement
- The implementation of an appeals process
- Access to funding
- Consideration of local conditions and individual school circumstances
- Further partnership working

The review recommends future developments are closely aligned to the Transforming SEND Services project, with the opportunities this presents to be seized, for example the introduction of local partnership SENCOs to work across local schools supporting and linking funding with professional services.

6. Future Options

The review has provided three options for consideration:

1. Keep the existing ENF system, with increased funding and consideration of recommendations
2. Introduce a two-tier model – banding approach for EHCP's plus a local funding system to quickly meet emerging needs
3. Allocation of top up funding to EHCPs either through individual assessment or banding system

Greater consideration has been given to option two as it preserves localised partnership working and the involvement of school professionals, but also is considered a fair, transparent and seamless approach for parent/carers, CYP and schools.

If there is a change in system, there will need to be a period of transition. If option two is adopted further rapid work will be needed to move into a transition period for 2020/21. This transition phase would need to secure quick benefits and enable stakeholders to have a renewed confidence in the system.

Potential financial implications for consideration would be:

Existing system October 2019 – March 2020	Transition period April 2020 – March 2021	New system April 2021 Onwards
Existing budget : £7.8m Plus overspend: £1.8m Total: £9.6m	2019/20 budget: £9.6m Plus additional: £7.0m Total: £16.6m NB: Additional costs based on average cost of funding CYP with EHCPs but no funding, further modelling needed to identify true value including review of multiple case funding methodology	To be determined based on evidence from modelling of new system

OPTIONS

The review provided 3 possible options for consideration

Option 1 – Keep the existing ENF system ‘as is’

Considerations if option is implemented:

- CYP with EHCPs to be automatically considered for ENF funding
- Specific types of need to be ‘fast tracked’ offering a more streamlined and automatic process to funding i.e. similar to VI children, for example
EYSDC – complex children, to enable support prior to statutory assessment
- Increase levels of funding comparable to other Local Authorities
- Replace descriptors of need with banding

Pros

- Increase in funding would potentially meet short term demand
- Familiar process
- Defined budget – lower financial risk for LA

Cons

- Decision makers remain divorced from the Local Authority which has the legal accountability for EHCP provision.
- No commitment to ensuring ENF for CYP with an EHCP
- Inconsistencies, the lack of transparency and accountability in the system could remain
- Currently low confidence in the system
- Continued low take up from Secondary sector
- Continuation of costly, admin heavy process

Option 2 – Introduce a two – tier model:

- Tier 1 – Redevelop the ENF process to meet the emerging needs of CYP and those with complex needs who do not have an EHCP
- Tier 2 - Creation of a process which delivers top-up funding for CYP with EHCPs, via a transparent banded system

Considerations if option is implemented:

- CYP with EHCPs to be automatically considered for funding through a banded system
- Develop a streamlined commissioning / allocation process through the banding system.
- Increase levels of funding comparable to other Local Authorities and project for future EHCP growth.
- Specific types of need to be 'fast tracked' offering a more streamlined and automatic process to funding i.e. similar to VI children, for example EYSDC – complex children, to enable support prior to statutory assessment
- Consider the possibility of introducing a process for local partnership /professionals to grant funding following a visit/diagnosis at tier one

Pros

- Fast track process for those with complex needs
- Potential time and cost reduction due to less demand for panels and clusters
- Greater confidence in the system
- More robust system
- More systematic approach
- Decision making for EHCPs closer to statutory duty
- Linking funding to EHCPs consistent with national guidance and supports inclusive practice

Cons

- Potential sharp increase in the number of requests for EHCPs
- Potential for double funding with a two-tier system
- Increased financial risk for LA

Option 3 – Allocate funding directly to EHCPs either via assessing individual needs or through a banded system

Considerations if option is implemented:

- Increase levels of funding to meet demand of current and future EHCP numbers
- Alternative panel process required for awarding funding

Allow for CYP without EHCPs to access the system

Pros

- Faster access to funding for those with identified complex needs
- Streamlined process for schools/ settings
- Reduced panel costs and time
- Greater confidence in the system
- More robust system
- More systematic approach
- Decision making for EHCPs closer to statutory duty
- Linking funding to EHCPs is consistent with national guidance and supports inclusive practice

Cons

- Potential sharp increase in the number of requests for EHCPs
- No option fast funding mechanism for CYP with emerging needs
- Increased financial risk for LA

RECOMMENDATIONS

The review identified 24 general recommendations:

Focus	Recommendation No	Recommendation	Relevant to option	Priority
ENF/Top Up Funding Accountability	1	<ul style="list-style-type: none"> (i) Communicate to all stakeholders who within ISL/SEND Services is the overall accountable person for ENF/Top-Up Funding (operational and strategic) (ii) Provide regular communications to schools/settings and parent/carers to build confidence and provide transparency (iii) Ensure that system monitoring predicts future needs 	1,2 and 3	High
Budget sufficiency	2	Ensure that funding levels are significantly increased to ensure that all CYP with complex needs have funding available	1,2 and 3	High
Audit ENF Applications	3	<p>Further investigate aspects of the current system, for example undertake an audit of 2019 & 2018 rejected applications to identify:</p> <ul style="list-style-type: none"> (i) Number of rejected applications re-submitted and again rejected (ii) Number of rejected applications re-submitted with funding agreed (iii) Process costs of carrying out step (ii) (iv) Compare EHCPs with and without funding to ascertain consistency of decision making 	1	Medium
Manage Service User Expectations	4	<p>Develop and implement a short and concise document of HCC's top-up funding system (including any transition arrangements) to ensure:</p> <ul style="list-style-type: none"> (i) schools/settings and parent/carers are provided with clear guidelines around SEND funding (ii) expectations are managed from the outset 	1,2 and 3	High
Accountability for High Needs funding	5	<ul style="list-style-type: none"> (i) Identify key performance indicators (KPI's) against agreed pupil outcome measures to evidence the impact of Top-Up funding paid to schools/settings 	1,2 and 3	High

Focus	Recommendation No	Recommendation	Relevant to option	Priority
		(ii) Identify local authority accountability system to ensure effective monitoring of 'Top Up' funding allocated to schools/settings		
Flexible Approach to Funding for Schools/Settings	6	Change the use of funding from hourly based to financial value to enable schools and settings to have a broader flexibility of how funding can be used	1,2 and 3	High
Simplify the Application Process	7	(i) Develop an online system for a more streamlined approach to the current lengthy application process and to eliminate the use of large amounts of printing required by creating 'paperless' panels (ii) Ensure that the requirement for duplication of application processes is removed to access funding (iii) Introduce a more systematic renewal process to eliminate time spent by schools/settings duplicating information	1 and 2	High
Parent/Carer Inclusion	8	Develop a system to ensure parent/carers views are reflected in funding applications	1,2 and 3	High
Equity of Decision-Making across Panels	9	(i) If a cluster model continues, consider holding all area clusters at the same time in order to support moderation of decisions (ii) Where funding is decided, ensure cross-moderation of panels to ensure equity of decisions - consider rotation of panels to sit in different DSPL areas to support cross moderation (iii) Build a more robust and transparent panel system - review cluster/panel membership and consider the rotation of members/roles	1 and 2	Medium
Transparency of Panel Moderation	10	(i) Communicate outcome of ongoing moderation panels to schools/settings (ii) Publish data of successful funding applications by school to local groups of schools (eg similar to Fair Access Protocol data from Admissions)	1 and 2	Medium

Focus	Recommendation No	Recommendation	Relevant to option	Priority
Implement an Appeals Process	11	Implement an appeals system to enable schools/settings the opportunity to challenge rejected applications or funding awards	1,2 and 3	Medium
Supporting Schools/Settings	12	<ul style="list-style-type: none"> (i) Provide regular localised SEND support groups with local professionals available for advice and guidance (ii) Explore the feasibility of developing DSPL local partnership hubs to provide localised highly trained support staff (TAs) to work directly in schools with staff and children (link to Transforming SEND Services) (iii) Consider a localised system for providing specialist equipment on loan 	1,2 and 3	Low
Review EHCP process	13	Review the robustness of the EHCP process if the banding approach is implemented	2 and 3	High
Transition funding	14	Ensure the transition phase is funded from early years to primary and primary to secondary to avoid schools/ settings having to reapply	1	Medium
Re-engage Schools/Settings	15	<ul style="list-style-type: none"> (i) Ensure that all schools/settings are engaged with the process to secure 'Top Up' funding for all CYP that are entitled to it (ii) Identify systems/training to support applications from all phases 	1 and 2	High
Sector Variation	16	Identify the barriers that lead to lower levels of funding reaching CYP in Secondary schools and ensure this is rectified	1 and 2	High
Early Years	17	Ensure that localised funding systems are accessible to Early Years settings with support in place for small PVI settings and consider fast tracking arrangements for CYP with clearly identified needs	1 and 2	Medium
Flexibility of funding	18	<ul style="list-style-type: none"> (i) Consider a cluster of need type option where schools/setting can apply for funding to meet the needs of groups of children (ii) Model other options for multiple case funding and consider how best to support schools/settings that have a higher number of CYP with complex needs 	1 and 2	Medium

Focus	Recommendation No	Recommendation	Relevant to option	Priority
Access to funding	19	Consider a system that has more points throughout the year when funding can be awarded or develop a system which can allocate funding in a shorter timescale	1 and 2	Medium
Local conditions	20	Consider if a school/setting context should be taken into account, either through application or via a local/DSPL SENCO visiting and endorsing/agreeing an application at local level	1 and 2	Low
Local Partnerships	21	<ul style="list-style-type: none"> (i) Link with Transforming SEND Services to create a local SENCo role to support local schools with creating effective provision and endorsing applications for funding (ii) Link with Transformation of SEND services to clarify/reinforce/develop the role of DSPL or localised partnerships in meeting the needs of complex children in mainstream schools and settings (iii) Consider a localised model where professionals can recommend CYP for short term funding to speed up support reaching schools 	1,2 and 3	High
Efficiency	22	Consider a system linking into already established centralised panels e.g. provision panel to ensure consistency and improve efficiency and remove additional panel costs	1,2 and 3	High
Partnership working	23	Provide opportunities to celebrate good practice and cascade successful strategies and innovations	1,2 and 3	Medium
Review panel structure	24	Should option 2 be considered as part of this review, consider streamlining the cluster and panel approach at local level	2	Medium