

## **Newham Mainstream Schools SEND (Special Educational Needs and Disabilities) High Needs Funding Consultation**

### **Introduction**

The council is proposing to change how we allocate money to mainstream schools to support pupils with Special Educational Needs and Disabilities (SEND). This document sets out the proposals for consultation.

This proposal only relates to pupils attending mainstream schools and does **not** affect pupils in other settings such as Special Schools, Resource Provisions in mainstream schools and pupils attending schools outside Newham.

If, as expected, there is an overspend at the end of this financial year (31<sup>st</sup> March 2020), the Department for Education in central government will require Newham Council to provide a Budget Recovery Plan in May 2020.

Throughout this document, we refer to proposed changes to *Element 3 High Needs 'top up' funding*. This is often referred to locally as 'top up' funding. More information about this can be found in the *Background information: a short guide to funding for pupils with SEND* section at the end of this document.

### **Why is the council proposing these changes?**

Newham council is committed to making Newham the best place to grow up for every child and young person. We are committed to inclusive education in Newham, and ensuring that children and young people with SEND get the support they need to thrive at school is an important part of this vision and a priority for the Council.

The council believes that the proposed changes are needed for two reasons –

- To ensure a better match between the individual needs of children with SEND and the funding schools receive to support them
- To reduce the amount of overspend on the High Needs Block Budget (the budget which primarily funds pupils with high needs such as SEND)

At present, Newham Council expects to overspend the High Needs Block Budget by around £8.2 million this year and in similar amounts in future years. The pressures on Newham Council are not unique; the National Audit Office reports that eight in ten local authorities overspent their schools high-needs budgets in the year 2017-18.

Special Educational Needs and Disability (SEND) high needs funding makes up the largest part of the High Needs Block Budget and the majority of the expected overspend. The expected cost of SEND high needs funding for 2019/20 is £22m. About £4.4m of the overspend comes from these SEND costs.

## What are the changes that the Council is proposing to make?

The proposed changes focus on the way extra funding is allocated to schools to support pupils with SEND when the cost of meeting their needs is greater than £6000 per year. This funding is known as Element 3 High Needs ‘top up’ funding.

The Council proposes four changes:

1. Increase the number of Element 3 High Needs ‘top up’ funding bands from two to four.
2. Use Education and Health and Care Plans (EHCPs) for all pupils with high level SEND.
3. Change the areas of need used to identify special educational provision in Newham so that they are in line with national guidance.
4. Element 3 High Needs ‘top up’ funding will follow the pupil so funding will start and finish depending upon which school the pupil attends.

The Council has calculated that the proposed changes to how it allocates Element 3 High Needs ‘top up’ funding would potentially generate a saving of around £5 million.

### Further Information to support the proposal

Prior to this consultation, work has been completed in developing key documents with stakeholders to support this proposal. For further information on:

- A statement outlining what schools should provide for elements 1 and 2 click [HERE](#)
- Descriptors of needs (draft document) for the proposed four-band Element 3 High Needs ‘top up’ funding aligned to the four nationally recognised areas of need click [HERE](#)

More general information on SEND in Newham can be found on the Local Offer: <https://families.newham.gov.uk/>

### ***Change 1: increase the number of Element 3 High Needs ‘top up’ funding bands from two to four***

Currently, once the council identifies the special educational provision a pupil needs, it allocates funding based on a two-band system. Table 1 below shows the level of Element 3 High Needs ‘top up’ funding that the two bands provide according to needs of the pupil.

<b>Table 1: Current Element 3 High Needs ‘top up’ bands</b>		
<b>Area of need</b>	<b>Band 3 funding</b>	<b>Band 4 funding</b>
Autism	£11,100	£22,500
Complex needs	£11,100	£22,500
Specific Speech and Language Disorder	£0	£11,100
Social, Emotional and Mental Health	£11,100	N/A
Complex Physical/ Medical need	£2,500	£11,100

Newham Council proposes to replace the existing two-band system with a four-band system over two financial years in Newham mainstream schools from May 2020. This is because the use of two very wide funding bands has meant that the high needs funding that a pupil receives does not always correspond closely to their identified needs. The proposal would take around two years to implement due to the number of pupils with Element 3 High Needs ‘top up’ funding requiring assessments for EHCPs.

Newham Council would use the new bands and the four national descriptors of need when it issues a new EHCP or following an annual review of an existing EHCP. Newham Council will allocate a pupil to a band based on the needs and provisions identified in their EHCP. This means that funding provided to schools to support a pupil, may change following the issuing of an EHCP or an annual review of an existing EHCP.

Funding proposed per band per area of need would be as follows:

<b>Table 2: Proposed Element 3 High Needs ‘top up’ bands</b>	
<b>Band</b>	<b>Funding</b>
A	£4,000
B	£8,000
C	£12,000
D	£22,000

The decision on which band to allocate would be determined by the EHCP and rest with Newham Council. Newham Council would base the decision on the information available in line with the new band descriptors. The council would consider a proportion of these band allocations at the Gateway Panel, which comprises relevant agencies including School representatives, to ensure consistency in decision-making. The Gateway Panel would be able to recommend a banding level, but the decision would lie with Newham Council. A senior Newham Council manager, such as the Head of Service or Director of Education, would review a banding decision if schools did not agree with it.

***Change 2: Use Education and Health and Care Plans (EHCPs) for all pupils with high level SEND***

Councils normally complete an EHCP assessment to determine whether Element 3 High needs ‘top up’ funding is required to meet the special educational needs of a pupil. However, Newham council currently decides on the level of Element 3 High needs ‘top up’ funding for pupils in mainstream schools at special meetings with Schools. Element 3 High needs ‘top up’ funding is currently not dependent on an EHCP assessment in Newham. This means that Newham pupils with high level SEND that do not have an EHCP do not have formal arrangements to review if their top up funding continues to meet their needs.

This proposal would mean that from May 2020 onwards:

- When Newham Council issues a new EHCP, it would also allocate the EHCP to one of the four new bands and the corresponding funding from the date of issue. Any Element 3 High Needs 'top up' funding based on the previous system will cease on that date.
- Following processing of annual reviews of an existing EHCP, Newham Council will allocate the new band and funding from that date. Any previous High Needs funding will cease on that date.
- Over the two years following May 2020, pupils receiving Element 3 High Needs 'top up' funding, but who do not have an EHCP, will be assessed for a Plan and a band allocated following issuing of the Plan in line with the new system.
- The EHCP would set out the type of support that the pupil requires at that point, which could be the same, more, or less compared to the previous assessment, according to how the pupil's needs have changed over that time.
- Funding will continue to be provided according to the current 2 band system until an EHCP completed.

Subject to demand, all pupils receiving Element 3 High Needs 'top up' funding will have an EHCP in place by September 2022.

***Change 3: Change the descriptors of need used to identify special educational provision in Newham so that they are in line with national guidance (SEND Code of Practice, 2015)***

The special educational provision required to meet a pupil's special educational needs dictates the level of additional Element 3 high needs 'top-up' funding a school receives.

Newham council currently uses the following areas of need to identify special educational provision and the level of additional Element 3 High needs top up funding to mainstream schools:

- Autism
- Social, Emotional and Mental Health
- Complex needs
- Specific Speech and Language Disorder
- Complex Physical/ Medical need

However, the areas of need that Newham council currently uses are different from the four areas used in the SEND Code of Practice. This national guidance considers special educational needs according to four areas:

- Communication and interaction
- Social, Emotional and Mental Health (SEMH)
- Physical and Sensory
- Cognition and Learning.

The proposal is that Newham council would use the SEND Code of Practice to identify special educational provision from May 2020 onwards. This would help Newham council conform to national reporting methods and be more consistent for families that move in and out of Newham.

***Change 4: Element 3 High Needs ‘top up’ funding will follow the pupil so funding will start and finish depending upon which school the pupil attends.***

At present Band 3 funding is provided to a school for the whole financial year (1<sup>st</sup> April to 31<sup>st</sup> March) based on which school a pupil attends on the 1<sup>st</sup> April. If any pupil moves school during the financial year, the new school does not receive any funding to meet the needs of the pupil until the following April.

In comparison Band 4 funding changes happen in the following term after the pupil has changed school they attend.

The present system means that when pupils leave a mainstream school in Newham to attend another school, college or attend a special school, within or outside of Newham, the High Needs budget funds both settings.

The proposal is that the High Needs ‘top up’ funding would move on the day the pupil changes school or setting so the new setting is funded to provide support to the pupil from day one.

**Background information: a short guide to funding for pupils with SEND**

**Education, Health and Care Plans**

The Children and Families Act 2014 introduced Education, Health and Care Plans (EHCPs). An EHCP is a legal document that describes a child or young person's special educational, health and social care needs. It outlines the specific support and provision a child or young person requires to meet these needs and how this will help them achieve their potential in their life. Schools must then provide this specific support and provision. EHCPs should be reviewed annually.

There has been an increasing demand for EHCP assessments in Newham. The number of EHCPs in Newham has increased significantly from 362 in 2017 to over 1,300 in 2019. This number is expected to continue to increase.

**Dedicated Schools Grant**

Every Council receives money in the form of an annual grant for education from Central Government; this grant is ring-fenced specifically for education (this means that the council can only use it for that specific purpose). This grant is called the Dedicated Schools Grant (DSG).

The DSG divides into four areas (known as Blocks):

1. Schools Block
2. High Needs Block
3. Early Years Block
4. Central Block.

The Schools Block and the High Needs Block are relevant to this consultation:

**The Schools Block:** The council passes the Schools Block funding onto mainstream schools, including academies (i.e. all schools other than special schools). Schools can choose how they use this funding to run their school to support all pupils from reception age to year 11. Schools normally use a large element of this funding for their day-to-day running costs, including paying staff. This will be £57.9 million for 2019/20.

**The High Needs Block:** Schools use this funding to support pupils with high levels of needs related to their SEND. This will be £22 million for 2019/20. Mainstream schools, including academies, as well as Special Schools and resource provisions within mainstream schools use a proportion of the High Needs Block to provide the pupil-led SEND high needs funding. The High Needs Block also funds support services that are provided by the Council and its partners.

### **Funding for Pupils with SEND**

Funding to support the additional needs of pupils with SEND comes from three elements:

**Element 1 Funding:** This comes from the school's School Block budget. The school uses it to provide education and support for all pupils in the school including lower levels of SEND.

**Element 2 Funding:** Schools also receive an amount of money in their budget to help make special provision for pupils with SEND. This is called the "notional SEND budget". Schools have a duty to identify, assess, plan, and make provision for all pupils with SEND from element 2 funding and are required to use a graduated approach to supporting pupils with SEND. This is known as "SEN Support". The first £6,000 of support for a pupil with SEND comes from this notional budget.

**Element 3 High Needs 'top up' funding:** Schools can access Element 3 High Needs 'Top-Up' funding from the High Needs Block where the cost of meeting the needs of a pupil exceeds £6,000. This is the pupil-led SEND high needs funding that this consultation is focussed on.