

HIGH NEEDS 'TOP UP' FUNDING REVIEW FOR NORTH SOMERSET COUNCIL 2022

BACKGROUND

1. North Somerset Council has commissioned a review of 'top up' or 'element 3' funding for pupils with high levels of Special Educational Needs and Disabilities (SEND), which builds on a similar process completed in 2018. Another review is needed because North Somerset continues to overspend its budget for top up funding (TUF), by £2.26m or 16% in 2021/22, which is compounded by an overall deficit in the Council's Dedicated Schools Grant (DSG).
2. To clarify, the national funding framework for mainstream schools is made up:
 - Element 1 – Delegated core funding for all learners (approx. £4,000 per pupil)
 - Element 2 – Delegated formula funding to support learners with additional needs only (up to an extra £6,000 per pupil)
 - Element 3 – Top up funding, applied for and ring fenced to individual learners with high levels of SEND (bands of additional amounts)
3. Special Schools also receive a version of element funding, but 1 & 2 are combined to form a 'base' budget of £10,000 per published place, with element 3 normally awarded against each pupil admitted, in accordance with the school's SEND designation.

PREVIOUS FINDINGS

4. A review of top up funding was completed in 2018, and concluded:

"In summary, the data suggests the following contributory factors underlying the increase in TUF expenditure in North Somerset

- *A small increase in the number of TUF cases over the past three years*
- *More expenditure per case particularly with regard to mainstream pre-16 cases which suggests more children and young people are being assessed as having higher level needs*
- *A funding system where financial values are set high, relative to other authorities, and where there are significant 'jumps' in funding between bands"*

5. The report went on to make a series of recommendations, which are summarised as follows, together with updates on how these recommendations have progressed:

- a. *"TUF applications should be considered by a smaller moderation group."* (Actioned, but approach remains fragmented due to Covid and sourcing staff)
- b. *"There may be exceptional circumstances, which bypass the moderation group."* (Actioned, but this has caused issues regarding fairness and consistency)
- c. *"The Out of School Panel should consider pupils not in school, including those excluded."* (Actioned)

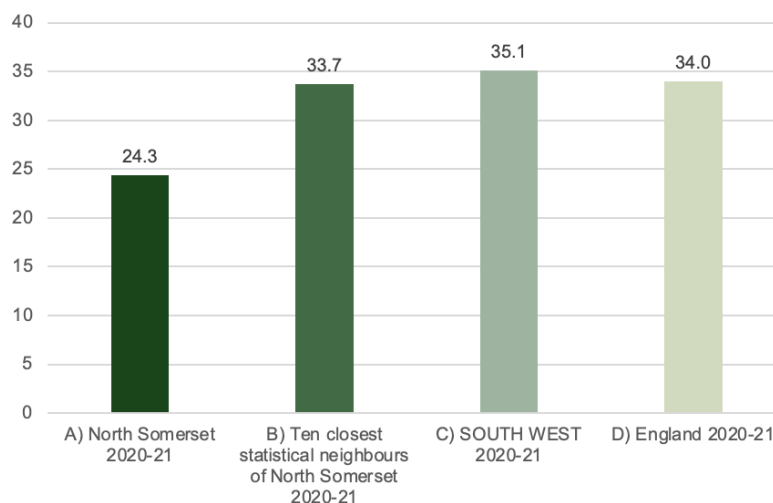
- d. "TUF criteria should be needs-related with no requirement for a diagnosis or specific training requirements for staff." (Actioned)
- e. "TUF applications should show evidence of a plan/do/review cycle." (Actioned)
- f. "TUF applications should include plans for the use of allocated top-up funding." (Actioned, but this has caused issues due to pay differences)
- g. "Guidance should be given on the menu of interventions funded through TUF." (Actioned)
- h. "Category C (behaviour) needs to be amended to reflect social and emotional needs." (Actioned)
- i. "TUF criteria at Level 1 should be re-worked to ensure greater clarity." (Actioned)
- j. "A simplified funding system is developed based on 6 and 8 bands." (Considered but not actioned)
- k. "A new alternative provision funding model is based on an overall projection of need and funding requirements, not on case by case top-up funding allocations." (Actioned)
- l. "A system is developed and introduced to monitor the use of three-year top-up funding allocations." (Actioned through a High Needs Officer)

CURRENT SITUATION

Education Health & Care Plans (EHCPs)

Chart 1: Number aged up to 25 with SEN statement or EHC plan (per 1000 of 2-18 population)

This chart compares the proportion of children and young people with SEN statements or EHC plans. Differences in proportions reflect not only differences in the level of needs but also variations between local authorities in the way that SEN assessments are undertaken, EHC plans are produced and special provision is made.



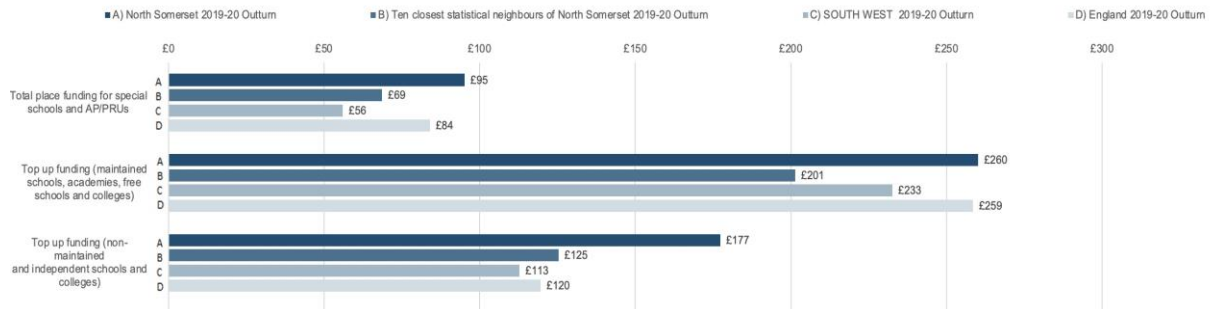
6. DfE Benchmarking data, (Chart 1) suggests that North Somerset issues fewer Education Health and Care Plans (EHCPs) compared to national, regional, and statistically similar local authorities. According to 2020/21 data, North Somerset could issue over a third more EHCPs, and remain below the rates of these comparators. This is significant because most local authorities use EHCPs to determine entitlement to almost all top up funding. It is the case that North Somerset has issued more EHCPs in 2021/22, but so has the rest of England, which means the differences, albeit narrowing, are still apparent.

Chart 3: High needs amount per head of 2-18 population

This chart compares budgeted and/or outturn spend per head, using aggregated section 251 categories as explained in the "Glossary and sources" worksheet. The data can be found in data table 3.

Note that place funding includes academies for the budget but excludes academies for outturn.

Note that the place funding category includes special schools and academies and PRUs and AP academies to enable comparison across years (refer to the "Glossary and sources" worksheet for category changes in 2018-19).



7. Despite the relatively low number of EHCPs, the same benchmarking data (Chart 3) indicates that North Somerset generally allocates more top up funding compared to national, regional, and statistically similar local authorities which, for the last two groups, is noticeably higher. This means that North Somerset appears to award considerably more top up funding through arrangements other than EHCPs.

Top Up Funding Levels & Amounts

8. In most local authorities and in most cases, EHCPs determine pupils' entitlement to top up funding, with the amount usually identified through a funding framework. These frameworks, or matrices, typically cross reference type and severity of need, with a financial amount, that may also be adjusted according to age, stage and provision type.

9. In North Somerset, top up 'bands' range from £3,520 for cognition and learning needs in a resource base, through to £27,354 for physical/medical needs in a special school, with £17472 being offered to mainstream schools managing the highest levels of behavioural concerns. In all cases, 'banded' top up amounts will be offered on the understanding that £10000 of element 1 & 2 funding is already in place, making the highest allocation worth around £37,354, with 69 possible banding variations, in total.

10. Current analysis supports previous findings, which is that North Somerset generally has more banding levels, and offers higher top up amounts, than statistically similar authorities and the national picture. For example:

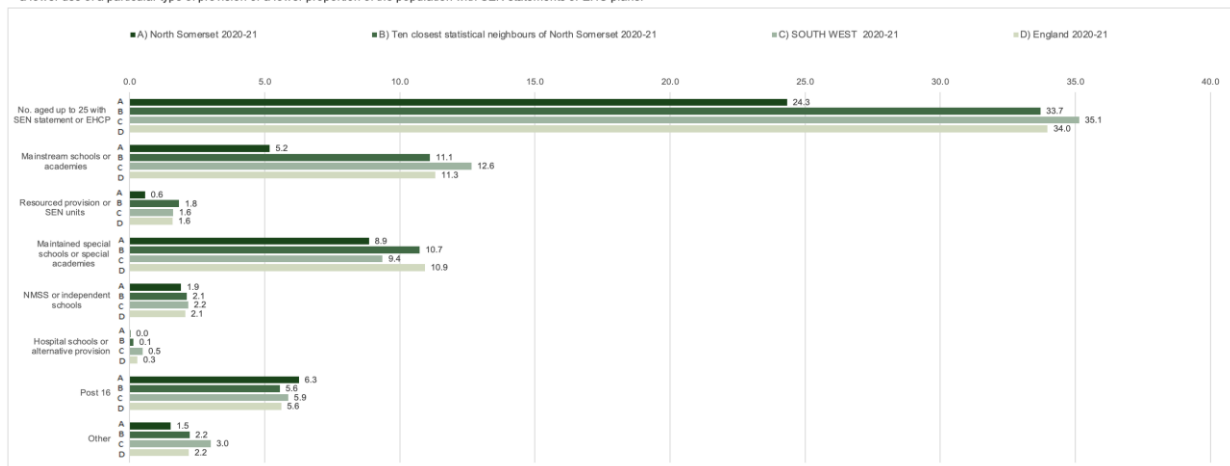
- West Sussex - The highest top up allocation is for special school learning difficulties and is set at £12366 average, with unit provision for speech and language needs set at £1107.
- Worcestershire - 2021 consultation proposal suggests 6 banding levels, irrespective of location, ranging from £1200 (unpredicted) to £21400 (exceptional 4).

- Hampshire - For mainstream schools only, top up funding appears to be spread across 5 levels ranging from £984 to £7999 at the 'exceptional' end.
- Essex – Has 10 'bands' ranging from £1,800 to £40,000, the allocation of which is determined by a matrix formula that suggests profound learning difficulties command the highest top up amount.

Special Schools & Alternative Provision (AP)

11. Special and AP settings generally receive funding, made up of £10,000 per published place, alongside top-up for each admission. According to 2019/20 outturn data (Chart 3), total place funding for Special and AP in North Somerset was slightly higher than the national average, and noticeably higher than regional and statistically similar neighbours. Chart 2 shows that for 2020/21, the proportion of pupils attending Special Schools in North Somerset, was slightly lower across all three comparators.

Chart 2: Placement of pupils aged up to 25 with SEN statement or EHC plan (per 1000 of 2-18 population)
 This chart breaks down the proportion of children and young people with SEN statements or EHC plans into where they are placed. The categories of special provision are explained in more detail in the "Glossary and sources" worksheet and the data can be found in data table 2. Differences between local authorities should be interpreted with care. For example, lower numbers could reflect a lower use of a particular type of provision or a lower proportion of the population with SEN statements or EHC plans.



CONCLUSION & RECOMMENDATIONS

12. The findings of the 2018 top up funding review remain broadly current in 2022. On average, North Somerset continues to allocate more top up funding than statistically similar and regional neighbours, and this is despite issuing comparably fewer EHCPs, which is the way most funding is allocated elsewhere. The number of EHCPs in North Somerset is increasing, which mirrors the national trend, but this does not appear to be offset by a reduction in funding through other means.

13. The principle of allocating top up funding through routes other than EHCPs is not without merit and, managed successfully, can lead to more rapid interventions and better preventative measures. However, the general expectation is that these alternatives will be offset by reductions in funding through EHCPs, and the number of plans overall. In North Somerset, it seems that both approaches are in the ascendancy, which is resulting in a significant overspend.

14. Considering the above, it is proposed that North Somerset diverts the allocation of all high needs top up funding, solely through the EHCP process. The council needs to understand and manage the distribution of funds better, so it can achieve consistency and

fairness across all institutions and learners in need and, in the medium term, the EHCP process is considered the best way to accomplish this. There might still be room for 'fast track' funding responses, specifically covering the 20 weeks of assessment, ahead of an EHCP being issued, but this would still need to be part of a single cohesive strategy.

15. The levels of top up funding allocated to learners in North Somerset, as referenced in the review of 2018, appear complex and high, compared to most approaches elsewhere. As such, it would seem prudent that these are moderated and simplified at the earliest opportunity. It is recommended, therefore, that further consideration is given to the cost of learning for specific groups of pupils with high needs, together with the outlay for different types of tailored support, in a way that consolidates current arrangements and produces fewer bands and more equitable rates.