

**Appendix B****High Needs Funding Reform Consultation Stage 2 - Closing Date 22<sup>nd</sup> March 2017**

[Additions to the responses are highlighted throughout]

**Overall Approach**

1. In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

Yes

**No**

Please explain your reasoning and any further evidence we should take into account:

**The formula will continue to result in insufficient funds to meet national best practice requirements and will not address the fundamental problems in the current system. Why has the consultation not referenced parental confidence or personal budgets as referenced in national legislation?**

Members of Cambridgeshire Schools Forum are extremely concerned that the proposed High Needs Formula would result in less funding than is currently spent on High Needs Pupils. Without the proposed floor this would result in a reduction in funding to some of the most vulnerable young people being supported within schools and other providers.

Any new High Needs funding system that is introduced must be able to support the needs of the young people it is supposed to.

Unlike the main school national funding formula where the intention is to fund similar pupils in different LA's on a consistent basis the approach to High needs funding is still likely to result in significant differences in funding for individual pupils. This is because top-up funding and banding systems will continue to be developed and managed locally by LA's and as such there is unlikely to be a consistent national approach. The development of a common system is essential for a fair system or risks significant challenge from parents.

There still appears to be a lack of evidence as to how the proposed funding aligns with DfE legislation on High Needs pupils, e.g. medical needs and that consideration has been given to tribunal outcomes and case law. The legislation also talks about "parental confidence" and personal budgets, but there doesn't appear to be reference to these areas in the consultation.

## **Formula Factors**

We are proposing a formula comprising a number of formula factors with different values and weightings.

We ask respondents to bear in mind with each question on this page that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think is the right proportion or amount for each factor.

### **2. Do you agree with the following proposals?**

#### **Historic spend factor - To allocate to each local authority a sum equal to 50% of its planned spending baseline (Pages 29-30)**

Allocate a higher proportion

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

**Data lag means gaps between funding and present need will be problematic. We do not agree that any formula should maintain current spending levels: new investment is required. We can't confirm or dispute the 50% suggestion to historical funding as there is no evidence either for or against it supplied.**

We have concerns that if the baseline is from 2016/17 it will not reflect local decisions and increases in the costs for 2017/18 and as such will be out of date by the time the formula is implemented.

#### **Basic entitlement - To allocate to each local authority £4,000 per pupil (Pages 30-31)**

Allocate a higher amount

**The amount is about right**

Allocate a lower amount

Please explain your reasoning and any further evidence we should take into account:

**Basic entitlement is a reasonable platform but data lag is problematic and needs addressing**

There appears to be a reasonable logic for this being £4,000 – but we need to have confidence that pupil numbers being included are correct and reflect the latest position.

### **3. We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?**

#### **Population – 50% (Page 33)**

**Allocate a higher proportion**

The proportion is about right

Allocate a lower proportion

Please explain your reasoning and any further evidence we should take into account:

**This is the clearest most identifiable indicator and so should be weighted more significantly.**

Historically, at a local level, we have found using proxy indicators to identify High Needs pupils problematic so it is vitally important the correct indicators and weightings are applied.

We have found that overall population/pupil numbers has the strongest correlation with overall need and as such would advocate a high proportion of funding to be allocated on this basis.

#### **Free School Meals (FSM) Eligibility – 10% (Pages 33-34)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

**Inconsistencies in take up and data lags make this indicator less reliable and so it should be weighted less significantly. Why not use annually reviewed HMRC children in poverty indicator?**

Concerns over the potential turbulence in deprivation of data. We note that the children in poverty 0-15 indicator is reviewed annually by HMRC and could be used as a possible measure. Since the introduction of Universal Infant Free School Meals it has become much harder for schools to ensure eligible parents sign up for FSM and therefore count towards the FSM data set. The use of FSM could therefore be understating the need that actually exists.

#### **Income Deprivation Affecting Children Index (IDACI) - 10%**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

**As above**

#### **Key Stage 2 Low Attainment – 7.5% (Page 34)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

**Low attainment has a number of varied possible causes. It is not a reliable national indicator of individual need and does not capture earlier developmental issues that respond to early intervention.**

Low attainment at KS2 – what about early developmental issues? There is no national data set for low incidence needs.

**Key Stage 4 Low Attainment – 7.5% (Page 34)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

**Low attainment has a number of varied possible causes. It is not a reliable national indicator of individual need.**

As above.

**Children in Bad Health – 7.5% (Page 34)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

**The data and index is too old.**

“Children not in good health” – ‘DFE Research report: Research on funding for pupils with special education needs’ July 2015 page 47 states Children wellbeing index’ was published in 2009 and not updated since and census data is every 10 years. Therefore considerable lag of information for schools and Local Authorities.

**Disability Living Allowance – 7.5% (Page 34)**

Allocate a higher proportion

The proportion is about right

**Allocate a lower proportion**

Please explain your reasoning and any further evidence we should take into account:

The DLA is self-referred so not a sufficient measure and a measure of children who become disabled before the age of 15 years old.

**Funding Floor**

4. Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in the consultation document. (Pages 35-37)

Yes  
No

Please explain your reasoning and any further evidence we should take into account:

**We can not meet basic requirements with less funding. The significant demands in volume and complexity of high needs children place significant financial pressures on schools and the local authority collectively in Cambridgeshire. The use of the funding floor in the High Needs formula is supported.**

5. Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline? (Pages 35-37)

Yes  
No

Please explain your reasoning and any further evidence we should take into account:

**We agree if you also calculate baselines with current local movement of funding included. Not to do so will result in unrealistic and inaccurate protected baselines.**

However there is a concern that the baseline may not reflect the latest position due to local decisions taken to move funding for 2017/18 budget. We request confirmation as to whether the baselines are to be recalculated.

**Further still whilst the baseline may be protected as stated previously increases in the number of high need pupils and their complexity means that the baseline funding is being diluted resulting in financial pressure for high needs settings and local authorities.**

**Local Budget Flexibility**

6. Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19? (Pages 41-44)

Yes

No

Please explain your reasoning and any further evidence we should take into account:

**Under current conditions we can't meet basic requirements without such flexibility.**

Flexibility between funding blocks is key to managing the system overall. However the Schools Block is to be ring-fenced which is where any movements between blocks would normally have taken place. This flexibility is removed and in reality transfers are likely to only be made between the Central Schools Services Block and the High Needs Block. The Central Schools Services Block is off insufficient size to offer any real solution to help support the High Needs, which would be at the detriment to mainstream schools through the further removal of central support services to schools.

**7. Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?**

We are developing our proposals on the level of flexibility to allow in the longer term. We will consult fully on our proposals at a later stage, but would welcome any initial comments now.

See response to question 6 – there is limited flexibility that the proposals can offer because of the size of the Central Schools Services Block and the retained elements of the Early Years Block in the context of the High Needs pressures. This does not seem to be a viable solution and in effect any funding pressures can only viably be met from within the High Needs Block through reduced levels of top up funding.

**Further Considerations**

**8. Are there further considerations we should be taking into account about the proposed high needs national funding formula?**

**How will the DfE fund new schools or provisions that are required to meet surges in the high needs population?**

Further guidance is required on how the funding system will allow for new schools/provision – how will this be funded?

**Equalities Analysis**

**9. Is there any evidence relating to the 8 protected characteristics identified in the Equality Act 2010 that is not included in the equalities impact assessment and that we should take into account?**

**What measures will the DfE take to ensure that all families, regardless of adult literacy levels, adult learning difficulties and/ or EAL can have equal and easy access to applications for support from processes such as DLA/ FSM applications if you move to make these part of a national formula?**

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