

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

Any new High Needs funding system that is introduced must be sufficient to support the needs of the young people it is supposed to. Equally the funding system will need the flexibility to respond to growth and changes in need.

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.

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 difference 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.

*The proposed proxy indicators do not appear to adequately reflect the cohort of pupils currently in receipt of additional support within Cambridgeshire. Further work is underway to understand the reasons for this and identify what are the key indicators of need for our young people.*

## **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:

Concerns that if the baseline is from 2016/17 it will not reflect local decisions and increases in costs for 2017/18 and as such will be out of date by the time the formula is implemented. Also there doesn't appear to be any evidence/basis for why the amount is set at 50%?

#### **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:

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:

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:

Concerns over potential turbulence 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.

### **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 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:

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:

“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:

Given national pressures on High Needs Funding it is unlikely that any LA could manage with lower levels of funding than they currently receive.

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:

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 – need confirmation as to whether the baselines are to be recalculated?

### **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:

Flexibility between funding blocks is key to managing the system overall.

**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.

Need to review.

### **Further Considerations**

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

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?**