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To: Members of the  
**SCHOOLS' FORUM**

David Dilling (Chairman)	Primary Academy Governor (Charles Darwin Academy Trust)
Claire Bessa	Secondary Academy Head Teacher (E21C)
Rebecca Cottage	Special Head/Governor Maintained
Tracey Davies	Non-Schools Representative(14-19 Partnership)(Bromley Academy Trust)
Andrew Ferguson	Non-School Representative (Church of England)(Aquinas Trust)
Patrick Foley	Primary Maintained Head Teacher (Southborough Primary School)
Clare Grainger	Non-Schools' Representative (Joint Teacher Liaison Committee)(Connect Multi Academy Trust)
Chris Hollands	Primary Academy Head Teacher (Aquinas Trust)
Izabela Lecybyl	Non-School Representative (Catholic Church)
Neil Miller	PRU Head Teacher/Governor Academy (Bromley Trust Academy)
Andrew Rees	Secondary Maintained School Head Teacher (St Olaves Grammar School)
Brid Stenson	Non-School Representative (Early Years)
Ian Travis	Special Head Teacher/Governor Academy (Glebe School)
Gareth Walters	Primary Academy Governor (Compass Academy Trust)
Steve Whittle	Secondary Academy Head Teacher (Langley Park Trust)
David Wilcox	Secondary Academy Governor (Darrick Wood School)
1 x vacancy	Primary Academy Governor
1 x vacancy	Secondary Academy Governor

A meeting of the Schools' Forum will be held at the on **TUESDAY 23 MARCH 2021**  
**AT 4.30 PM** \*

**\* PLEASE NOTE STARTING TIME AND VENUE**

MARK BOWEN  
Director of Corporate Services

## **A G E N D A**

- 1 APOLOGIES FOR ABSENCE**
- 2 HIGH NEEDS FUNDING CONSULTATION (Pages 3 - 52)**
- 3 UPDATE ON REVIEW OF ALTERNATIVE PROVISION (Pages 53 - 60)**
- 4 ANY OTHER BUSINESS**
- 5 DATE OF NEXT MEETING**  
24 June 2021

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Report No.  
CEF21014

London Borough of Bromley

## PART ONE - PUBLIC

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**Decision Maker:** **SCHOOLS' FORUM**

**Date:** **Tuesday 23<sup>rd</sup> March 2021**

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** **HIGH NEEDS FUNDING CONSULTATION**

**Contact Officer:** David Bradshaw, Head of Finance, david.bradshaw@bromley.gov.uk

**Chief Officer:** Director of Children's Services

**Ward:** (All Wards);

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1. Reason for report

This report provides details of the High Needs Funding consultation and the Councils proposed response.

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2. **RECOMMENDATION(S)**

**The Schools Forum are asked to**

- i. **Review the consultation and the draft response;**
- ii. **Agree to a joint response or submit their own response back to the Department for Education (DfE).**

a) **COMMENTARY**

- 1.1 On the 10<sup>th</sup> February 2021 DfE announced a consultation seeking views on proposed initial changes to the High Needs National Funding Formula (NFF) as part of a longer term review of the NFF. The document is attached is Appendix 1
- 1.2 The high needs National Funding Formula (NFF) calculates funding allocations to local authorities for children and young people in England with complex special educational needs and disabilities (SEND) or who require alternative provision (AP).
- 1.3 This consultation forms the first stage of a longer term review of the High Needs NFF. This review will be taken forward following the SEND review, and will consider how the distribution of High Needs funding can be improved, to achieve the highest quality support for the most vulnerable children and young people.
- 1.4 The consultation ends on the 24<sup>th</sup> March and responses to the questions need to be submitted by this date.
- 1.5 As with other consultations the Council have formulated a provisional response. The Schools Forum are being asked to review this and agree a joint response back to DfE. Alternatively, the Schools Forum can submit their own response.
- 1.6 There are six questions being asked. The question set and the provisional response to these are contained in Appendix 2



Department  
for Education

# **Review of national funding formula for allocations of high needs funding to local authorities: changes for 2022-23**

## **Consultation**

**Launch date: 10th February 2021**

**Respond by: 24th March 2021**

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# 1. Introduction

- 1.1. We are inviting local authorities in England, schools and colleges, other interested organisations and individuals to respond to specific proposals for a small number of changes to the national funding formula that we will use to allocate high needs funding to local authorities in the 2022-23 financial year. We are also seeking views on some of the longer term changes to the formula that could be considered in future.
- 1.2. High needs funding allocations to local authorities are one aspect of the distribution of funding to schools, colleges and other organisations that make provision for children and young people with special educational needs (SEN), those who are disabled, and those who require alternative provision (AP) because their needs cannot be met in the school they would normally attend.
- 1.3. We are allocating significant increases in high needs funding – an additional £780 million in 2020-21, compared to 2019-20 funding levels, and a further £730 million in 2021-22, bringing the total allocated by the end of next year to over £8 billion. We are aware that many local authorities have in the past spent more on high needs than we have allocated, and therefore want to make sure that we are allocating high needs funding as appropriately and fairly as possible. This is the first stage of our planned review of the high needs national funding formula, first introduced for the allocations of funding to local authorities in 2018-19.
- 1.4. We are currently considering wider SEN and disability (SEND) and AP system changes that could be implemented in future years. The aim of the SEND review, 6 years on from the reforms inaugurated by the Children and Families Act 2014, is to make sure the system is consistent, high quality, sustainable, and integrated across education, health and care. Our AP reforms are intended to improve the behaviour, attendance and post-16 outcomes of young people in AP, and reduce the number who need to stay in that provision long term.
- 1.5. These broader reviews of the SEND system and AP arrangements are likely to have implications for the way that we allocate high needs funding. The pandemic has unavoidably delayed completion of this SEND Review, but our ambition is to publish the review's proposals for consultation in the spring of 2021. We are thinking hard about how best to time and structure that consultation so that families and professionals alike can fully participate and make their views known. But in the meantime, we are continuing to work closely with children, young people and experts across education, health and care to develop policy thinking. We then expect there to be a subsequent further consultation on changes to the distribution of high needs funding consequential on the review, which could be implemented

beyond 2022-23. The development of proposals for longer-term changes following the SEND review, however, does not preclude us from making immediate improvements to the high needs funding formula that we use for allocations in 2022-23. Indeed, we think that it is important to give the opportunity now for people to express views on the ways that we propose the formula is improved for 2022-23, especially given the pressures that local authorities are facing.

- 1.6. The questions we would like answers to are set out in a separate online survey. Please respond using this survey if possible, as other forms of response will not be as easy to analyse, although other formats will be available (see section 1.10). Before you respond to the online survey questions, please read the rest of this document. You do not have to answer all the questions, but in any case, it would be very helpful if you would answer the initial questions so we can see whether you are responding on behalf of a particular type of organisation, or from a specific local authority area in England.

## Who this is for

- 1.7. This consultation is for:
  - Local authorities
  - Schools and colleges
  - Any other interested organisations and individuals

## Issue date

- 1.8. 10<sup>th</sup> February 2021

## Enquiries

- 1.9. If your enquiry is related to the policy content of the consultation you can contact the team via email:

[HighNeedsNFF.CONULTATION@education.gov.uk](mailto:HighNeedsNFF.CONULTATION@education.gov.uk)

If your enquiry is related to the DfE e-consultation website or the process in general, you can contact the DfE Ministerial and Public Communications Division by email:

[Consultations.Coordinator@education.gov.uk](mailto:Consultations.Coordinator@education.gov.uk) or by telephone: 0370 000 2288 or via the [DfE Contact us page](#).



## **Additional copies**

1.10. Additional copies are available electronically and can be downloaded from: [GOV.UK DfE consultations](#). Word or pdf versions of questions can exceptionally be made available on contact with [HighNeedsNFF.CONULTATION@education.gov.uk](mailto:HighNeedsNFF.CONULTATION@education.gov.uk).

## **The response**

1.11 The results of the consultation and the Department's response will be [published on GOV.UK](#) following analysis of the responses later in 2021.

## 2. About this consultation

- 2.1. This consultation is seeking views on possible changes to two specific factors in the high needs national funding formula, which is the formula the department uses to allocate funding to local authorities for children and young people with complex needs.
- 2.2. This national funding formula was first introduced, following extensive consultation, for the calculation of high needs funding allocations to local authorities in 2018-19. Before 2018-19, allocations had been based on each local authority's past spending, and the formula marked a significant and widely welcomed shift towards a fairer distribution of funding to local areas, based on the needs in those areas. Aware that the formula would need to adapt to changing circumstances, we undertook to review it to see if changes were needed after the first four years of its operation.
- 2.3. This first stage of consultation is to consider specific questions about improvements to the formula funding distribution that could be implemented for 2022-23, but which would not pre-empt wider and longer-term changes resulting from the current SEND review or AP reforms. We are also asking a couple of more general questions, the responses to which we hope will help us in taking forward any longer-term changes to the funding arrangements.
- 2.4. Following the 2019 call for evidence on the funding of provision for children and young people with SEND and those requiring AP, and subsequent representations we have received, we are clear that there are a number of other issues relating to the current funding arrangements, but which are not specifically about the national funding formula. For example, there are continuing questions about the expectation that mainstream schools meet the costs up to £6,000 of supporting a pupil with SEND from their core budget, the level of the £10,000 per place funding for special schools and the funding arrangements for young people with SEND in further education. Such issues will be addressed as part of the SEND review and in subsequent consultations.
- 2.5. In this consultation we are asking for views specifically about the way that high needs funding is allocated through the national funding formula, rather than about the overall level of funding. We have already announced that schools and high needs funding will amount to £7.1 billion in 2022-23, compared to 2019-20, and will be looking carefully at how much high needs funding is required nationally in subsequent years as part of the next government spending review.
- 2.6. Annex A sets out further information about the current high needs funding arrangements. Annex B provides further advice on the proposed changes to local authorities' allocations. Annex C sets out the

equalities impact of these proposals.

### **3. How we use historic levels of local authority expenditure in the funding formula**

- 3.1. We know from previous research, carried out prior to the introduction of the current national funding formula, and from more recent data analysis, that the demand for SEND and AP provision varies considerably between areas because of local factors that are outside the direct control of local authorities. Similarly, the supply and pattern of specialist provision in each area varies considerably for a number of reasons, including decisions taken in the past, local authority boundaries and a range of other local factors. Local authorities can influence the demand for and supply of specialist provision, but some changes – such as the building of a new special school – often take several years to implement. The historic spend factor in the national funding formula is the main proxy we currently use for these local demand and supply constraints that can significantly affect local authorities' levels of spending on high needs.
- 3.2. The changes to this factor that we are considering, therefore, are intended to make sure that the funding formula better reflects such local factors that drive the costs of provision locally, and which take time to change.

### **Proposal to use actual expenditure from 2017-18**

- 3.3. In the 2018-19 formula, and the formulae for subsequent years, we have calculated this lump sum element based on 50% of each local authority's planned expenditure on high needs in 2017-18, as reported by the authority for the purpose of establishing a baseline. Now that we have authorities' actual expenditure on high needs for that year, we can see how that has varied from the planning amounts originally submitted to the department. Annex B sets out that variation for each authority.
- 3.4. Actual expenditure on high needs in 2017-18 will be a better representation of past spending levels than the planned spending amounts we used in the initial years of the formula. We do not intend to update this factor on a regular basis using more recent data, as to do so would introduce an incentive on local authorities to spend more in order to attract more funding in future. We therefore propose to replace the current lump sum included in the formula calculation with an amount calculated on the basis of actual expenditure in 2017-18 reported by each local authority. If you wish to respond on this proposal, please answer question 1 on the online survey.

## **Increasing the proportion of actual expenditure from 2017-18**

- 3.5. With the significant increases in high needs funding through the formula since 2018-19, the overall proportion of funding allocated through this factor has reduced considerably, down by 10 percentage points from 44% of funding in 2018-19 to 34% in the 2021-22 formula. Although some local authorities will have been able to make changes that have helped them spend within their high needs funding allocations, for others speed at which this funding has reduced, as a proportion of total high needs funding, will have been greater than the speed at which they have been able to make changes to local patterns of provision, so we are considering whether it would be appropriate to increase the proportion of funding through this factor.
- 3.6. One way of doing that would be to use more recent outturn data, but because we do not intend to use data from more recent years, as explained above, the alternative would be to increase the percentage of the 2017-18 actual expenditure amounts, from 50% to, say, 60%. This would increase the significance of this factor in the 2022-23 formula, reflecting a more gradual pace of change in the pattern of spending that it would be reasonable to expect from local authorities. As an illustration, if the percentage of actual expenditure had been set at 60% of 2017-18 spending levels, the historic spend factor would have made up 40% of the overall 2021-22 formula: a more modest four percentage point reduction since 2018-19.
- 3.7. We would therefore be grateful for views on the option of increasing the percentage of actual expenditure in 2017-18 included in the funding formula calculation. If you wish to respond on this, please answer question 2 on the online survey.

## **Finding an alternative to the historic spend factor**

- 3.8. We are aware that using a past level of spend as a factor in the funding formula is not the perfect long term solution to how we reflect local issues in the funding arrangements. While historic spending reflects local circumstances that should be acknowledged in the funding distribution, it can also reflect aspects of the local system – such as where there is poor value for money – that should not be reinforced through funding allocations. Past levels of spending also reflect the situation in a local area as it was, and, over time, will cease to reflect current patterns of need or demand. Ideally, therefore, we would prefer to replace the historic spend factor with an alternative factor or factors, that better reflect these local issues, and are able to be kept up to date.
- 3.9. Research that was carried out prior to the introduction of the national

funding formula considered the reasons for the differences between spending patterns in local authorities. The research was conducted by the Isos Partnership<sup>1</sup> and reported that in any single area the factors which shaped spending on children and young people with SEND were both complex and multiple. At a higher level, however, they identified three main drivers at play, in addition to the local demographic context that determined underlying needs.

- 3.10. First, parental preference was considered a critical driver of the nature and quantity of different types of provision available in a local area, which shaped how and where money was spent. It was also noted that parental preference is influenced strongly by the quality of relationships and dialogue between parents, providers and authorities.
- 3.11. Second, in their research they found that the capacity and ability of all types of provider in a local area to provide high-quality education for children and young people with SEND, and the readiness of those providers to work together in support of a common endeavour to improve outcomes for all children and young people with SEND, had a significant bearing on how funding was distributed.
- 3.12. Finally, they concluded that the strategic decisions that local authorities make about how they will meet the needs of children and young people with SEND, the pattern of provision that they have, or will, put in place and the centrally commissioned support on offer, will affect how and how much money is spent.
- 3.13. We are considering how far we should reflect this local variation in provision and the consequent funding distribution, and the factors we would use. It is important that any factor we use instead of historic spending does not create perverse incentives: for example, to create more placements in special schools in order to gain more funding, when some of those pupils would make better progress if they were well supported in a mainstream school. Any factor would also need to be “fit for purpose” for use in a funding context: for example, that the data used are collected uniformly across the country, with robust assurance processes in place; and that the data set is relatively stable from year-to-year, so as not to subject local authorities to significant swings in their funding.
- 3.14. The earliest any alternative factors we might use would be introduced into the formula for allocations is 2023-24, following the SEND review and subject to later consultation. Nevertheless, we would be grateful for initial views on both the extent to which the funding formula should

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<sup>1</sup>See the link to the report written by Isos Partnership: [Research on funding for young people with special educational needs \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

reflect the local demand for and pattern of SEND and AP provision, and the factors we might use. If you wish to respond on this, please answer question 3 on the online survey.

## 4. Attainment data used in the funding formula

- 4.1. We use low attainment at the end of key stages 2 and 4 as two of the group of proxy indicators of SEND in the national funding formula, because there is a strong association between low attainment and some types of SEND. The formula calculation uses attainment data for pupils living in each local authority area, from the most recent 5 years of key stage 2 tests and GCSE exams (e.g. 2015 to 2019 test and exam results have been used in the formula we published in July 2020 for the 2021-22 allocations). For the 2022-23 funding formula we will not have 2020 key stage 2 test data, or GCSE exam results that would be appropriate to use for this purpose, because of the disruption caused by the pandemic.
- 4.2. We have considered using the same data from 2015 to 2019 as used in the 2021-22 formula, but this series would continue to include older data from before the changes to the tests and exams in 2016. So instead we propose to update the series using 5 years' data from 2016, and to substitute the most recent 2019 data in place of the missing 2020 attainment data.
- 4.3. In view of continuing disruption to the 2021 tests and exams, we are likely to need to take a similar approach in the 2023-24 funding formula, i.e. use the 2019 data in place of both 2020 and 2021 attainment data.
- 4.4. If you wish to give views on how we propose to address the absence of 2020 attainment data, please answer question 4 in the online survey. Section 5 gives further information about our plans for improving this and the other SEND and AP proxies in the formula.



## 5. Effective proxies for SEND and AP in the formula

- 5.1. Our future development of the funding system must support the outcome of the SEND review, and any changes to the AP arrangements. This is one of the reasons why we are limiting the scope of potential changes to the high needs funding formula for 2022-23, and planning another consultation, likely to be undertaken later in 2021, on further changes to the funding arrangements that will be needed following the SEND review.
- 5.2. As well as the historic spend and low attainment factors referred to in the previous sections, we currently use a measure of the local population of children and young people, two health and disability measures (the number of children in bad health and the number of families in receipt of disability living allowance) and two deprivation indicators (the number of children eligible for free school meals and a local area deprivation measure) – see annex A for more information on how these indicators work together as proxies for SEND.
- 5.3. In responses to previous consultations, it has often been argued that allocations to individual local authorities should be based, at least in part, on the number of children and young people who have education, health and care (EHC) plans. Numbers of EHC plans, however, cannot be used as a robust indicator of underlying need because the way they are used varies considerably across local areas (with no consistent national threshold for requiring an EHC plan), and the number of plans is therefore not necessarily directly associated with the local authority's need to spend. For example, a parent may request an EHC needs assessment because they are worried that without a plan their child will not be admitted to the school that will best meet their needs. Furthermore, there would be a significant risk of introducing a perverse incentive on local authorities to increase the number of EHC plans, despite the bureaucracy involved, beyond those that are really needed to enable children and young people with SEND to receive a good quality education.
- 5.4. The SEND review is considering whether system changes are needed to provide more consistency in EHC needs assessment and planning process, and to improve other aspects of the SEND arrangements. Following the SEND review we will consider whether consequent changes to the proxies we use in the funding formula would be appropriate: it is important that the proxies used represent the factors that will best reflect spending pressures on local authorities' SEND services, following any reshaping of those services in the light of the review outcomes. At the next stage of consultation we will also consider whether there are new factors that could either replace

existing factors, for example those that may have become out of date<sup>2</sup>, or that could be added to the formula to address particular types or prevalence of identified need<sup>3</sup>. In addition, we will also look at how we fund SEND support in mainstream schools.

- 5.5. We would therefore welcome views on how we could improve the proxy factors within the high needs national funding formula. This will then inform our thinking on potential changes to the high needs national funding formula for 2023-24 onwards. If you wish to offer ideas on factors that could be added to the current formula, or that could replace the current proxies, please answer question 5 in the online survey.

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<sup>2</sup> For example, one of the factors we use is data from the 2011 population census that counts the number of children in bad health in a local authority area. However, a question on this is expected to appear in the 2021 population census.

<sup>3</sup> For example, although we do not use 19 to 25 population data because the numbers are distorted by the location of higher education institutions, we will look to see whether modification of the 2 to 18 population data would better reflect the underlying needs amongst 19 to 25 year olds that should be met from high needs funding.

## 6. Conclusion

- 6.1. This consultation forms the first stage of our review of the high needs national funding formula, and focuses on specific proposals for the allocations to local authorities in the 2022-23 financial year. Future consultations will cover further proposals for changes to the formula and to the arrangements for the funding for SEND and AP. An equalities impact assessment has been carried out for the changes that we have proposed in this consultation; see annex C for further details.
- 6.2. If you have any comments on the equalities impact of these proposals for change, please answer question 6 in the online survey.

## Annex A: The current high needs funding system

High needs funding is provided to local authorities through the high needs block of the dedicated schools grant (DSG). Local authorities must spend that funding in line with the associated conditions of grant 2021-22<sup>4</sup>, and School and Early Years Finance (England) Regulations<sup>5</sup> 2021. High needs funding is also provided directly to some schools and colleges<sup>6</sup> by the Education and Skills Funding Agency (ESFA).

The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, to enable both local authorities and institutions to meet their statutory duties under the Children and Families Act 2014. High needs funding is also intended to support good quality alternative provision (AP) for pupils of compulsory school age who, because they have been excluded or suspended, or because of illness or other reasons, cannot receive their education in mainstream or special schools.

The high needs funding block provides local authorities with resources for place funding and top-up funding for institutions, and funding for high needs services delivered directly by the authority or under a separate funding agreement with the service provider (including funding devolved to schools and colleges for that purpose), as permitted by regulations.

The high needs funding block of the DSG has, since 2018-19, been distributed by means of a national funding formula applied consistently across all local authorities, that calculates each authority's allocation.

The formula attempts to balance the two fundamental drivers determining local authorities' relative need to spend on high needs:

- the nature of the local SEND system. Within the current formula the basic entitlement, historic spend and hospital education factors are elements of the formula that reflect local issues, for example the number of pupils in special schools; and
- the underlying needs of the population being served. The population and other proxy factors in the formula, which relate to the

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<sup>4</sup> <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-2021-to-2022/dsg-conditions-of-grant-2021-to-2022>

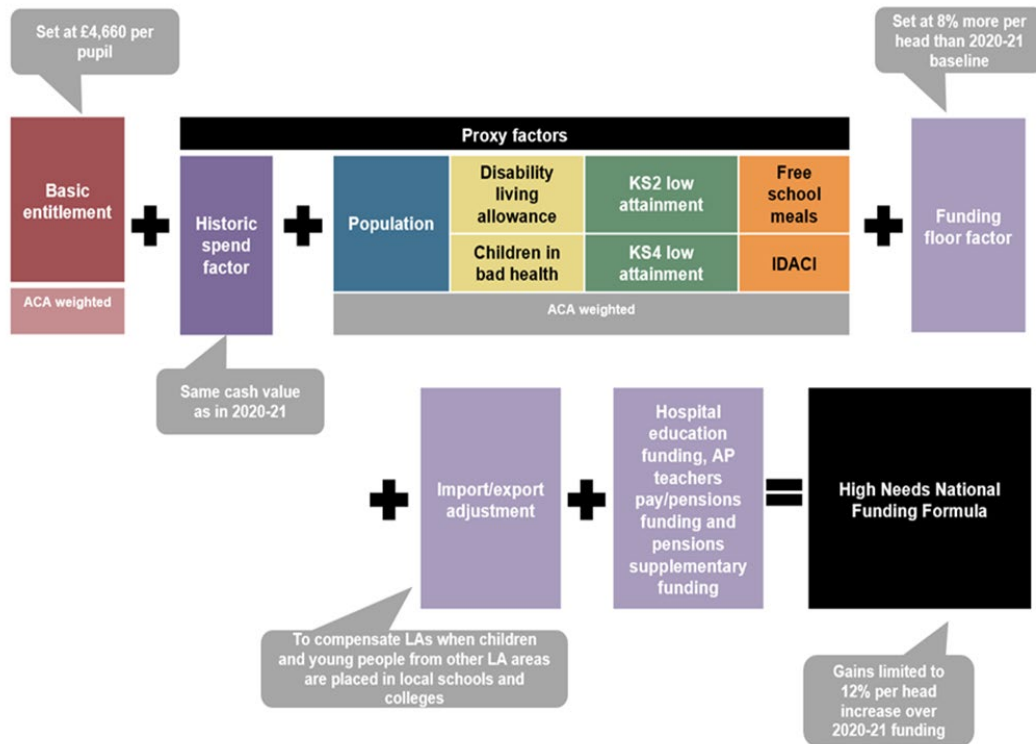
<sup>5</sup> <https://www.legislation.gov.uk/ukxi/2021/59/made>

<sup>6</sup> In this consultation we have used the term(s) "schools and colleges" to refer to different types of school, including pupil referral units, academies, free schools, non-maintained special schools and independent schools; and to different types of further education (FE) provider – general FE colleges, independent learning providers and special post-16 institutions (i.e. specialist colleges).

characteristics of the children and young people living in the local authority area, combine together to reflect the level of underlying needs.

Figure 1 below summarises the formula used for the 2021-22 allocations.

Figure 1



For a more detailed account of the operation of the high needs national funding formula in 2021-22 please see the relevant high needs funding formula technical note: [High needs national funding formula: technical note \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

## Annex B: The impact of the proposed historic spend formula factor changes

1. Annex A has a link to the technical note setting out how the historic spend factor is calculated in the 2021-22 formula. Section 3 of this document explains the proposal to change the values used to calculate this factor from those based on 2017-18 planned expenditure, to amounts based on 2017-18 actual expenditure.
2. The actual expenditure data used to calculate these new historic spend factor amounts is from the 2017-18 section 251 returns from local authorities, and from the deductions made from local authorities' 2017-18 dedicated schools grant high needs block allocations for direct funding by the Education and Skills Funding Agency of places in academies and further education<sup>7</sup>. As for the original calculations, we have used the expenditure lines from the local authority level data as shown in table 1<sup>8</sup>. The calculation of the historic spend factor amount includes adjustments that reduce the historic spend by the amount of the basic entitlement factor, reverse the positive or negative import/export adjustments and subtract the hospital education factor amount<sup>9</sup>.

Table 1

Section 251 lines included
1.0.1 Individual Schools Budget (ISB) (after academy recoupment) <sup>10</sup>
1.2.1 Top up funding - maintained schools
1.2.2 Top-up funding – academies, free schools and colleges
1.2.3 Top-up and other funding – non-maintained and independent providers
1.2.4 Additional high needs targeted funding for mainstream schools and academies
1.2.5 SEN support services
1.2.6 Hospital education services
1.2.7 Other alternative provision services
1.2.8 Support for inclusion

<sup>7</sup> Places in academies and places in further education – data from [DSG allocations: 2017 to 2018 \(www.gov.uk\)](https://www.gov.uk/government/publications/dsg-allocations-2017-to-2018)

<sup>8</sup> Data from <https://www.gov.uk/guidance/section-251-2017-to-2018>: note, for all lines NET expenditure has been used.

<sup>9</sup> Number of pupils in special schools/academies, hospital education funding and import/export adjustments – data from <https://www.gov.uk/government/publications/national-funding-formula-tables-for-schools-and-high-needs-2019-to-2020>

<sup>10</sup> Only expenditure for special schools and PRU/AP schools from this line are included.

<b>Section 251 lines included</b>
1.2.9 Special schools and PRUs in financial difficulty
1.2.10 PFI and BSF costs at special schools, AP/ PRUs and Post 16 institutions only
1.2.11 Direct payments (SEN and disability)
1.2.12 Carbon reduction commitment allowances (PRUs)
1.2.13 Therapies and other health related services
1.4.11 SEN transport

3. Table 2 below shows our calculation of the changes to each local authority's historic spend factor amount. Note that expenditure information is not available for local authorities that have been through boundary changes since 2017-18. For these authorities a simple apportionment has been calculated, based on the apportionment of the historic spend amounts previously provided, to give an indication of the impact.
4. Also in table 2, to give an indication of how the change might impact future allocations of high needs funding, we have applied the new values to the 2021-22 national funding formula, and illustrated what the difference would have been to the underlying percentage increase in each local authority's high needs funding allocation in 2021-22 allocation, compared to 2020-21. It is important to note that the impact would not be exactly the same in 2022-23, because of the other data that will be updated in the formula, and because the overall level of increase will not be the same.

Table 2

LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Barking and Dagenham	£28,123,481	£29,963,071	£12,482,621	£13,321,426	12.0%	12.0%
Barnet	£48,033,977	£49,696,598	£21,625,987	£22,319,136	8.0%	8.0%
Barnsley	£21,530,000	£25,779,319	£9,790,873	£12,003,032	12.0%	12.0%
Bath and North East Somerset	£22,832,000	£25,153,665	£10,085,212	£11,085,669	8.0%	8.0%

<sup>11</sup> The underlying percentage increase in protected high needs funding, per head of population, between 2020-21 and 2021-22 - as shown in the high needs NFF tables published in July 2020 ([https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/901852/2021-22\\_NFF\\_summary\\_table.xlsx](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901852/2021-22_NFF_summary_table.xlsx), high needs tab, column H)



LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Bedford Borough	£21,226,000	£21,433,230	£9,199,261	£9,187,433	8.0%	8.0%
Bexley	£32,109,000	£32,420,937	£14,696,026	£14,969,846	8.0%	8.0%
Birmingham	£151,467,000	£156,651,420	£64,002,087	£66,554,193	12.0%	12.0%
Blackburn with Darwen	£18,431,400	£20,450,940	£8,437,360	£9,467,328	11.8%	12.0%
Blackpool	£18,654,000	£19,683,116	£7,681,927	£8,170,825	11.4%	12.0%
Bolton	£33,354,000	£35,826,834	£15,225,444	£16,597,500	10.8%	12.0%
Bournemouth, Christchurch & Poole	£37,175,926	£40,953,138	£17,333,590	£17,333,590	8.0%	8.0%
Bracknell Forest	£15,673,028	£14,378,803	£7,597,056	£6,858,462	8.0%	8.0%

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Bradford	£65,012,779	£59,886,545	£29,371,531	£26,681,153	12.0%	11.9%
Brent	£54,220,000	£51,042,432	£25,953,945	£24,451,239	8.0%	8.0%
Brighton and Hove	£24,850,000	£24,389,722	£11,464,348	£11,250,618	9.5%	8.0%
Bristol, City of	£50,667,390	£54,623,544	£22,148,697	£23,969,597	8.5%	10.8%
Bromley	£47,062,000	£47,433,711	£20,673,297	£20,553,461	8.0%	8.0%
Buckinghamshire	£79,785,000	£78,716,007	£36,813,933	£36,338,943	8.0%	8.0%
Bury	£29,308,032	£33,107,730	£13,645,659	£15,484,374	8.0%	8.0%
Calderdale	£17,665,000	£17,289,930	£8,241,304	£7,998,762	12.0%	12.0%
Cambridgeshire	£65,252,000	£68,003,213	£29,942,834	£31,251,406	8.0%	8.0%
Camden	£34,106,825	£33,553,665	£14,265,132	£13,713,991	8.0%	8.0%

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Central Bedfordshire	£27,406,427	£26,799,073	£11,851,260	£11,532,781	8.5%	8.0%
Cheshire East	£33,924,000	£34,560,731	£16,535,477	£16,610,449	8.0%	8.0%
Cheshire West And Chester	£37,832,252	£37,110,167	£16,317,190	£16,098,213	8.0%	8.0%
Cornwall	£40,068,000	£42,090,683	£18,174,714	£19,091,585	12.0%	12.0%
Coventry	£35,395,000	£34,906,240	£15,160,240	£14,913,197	12.0%	10.6%
Croydon	£58,819,000	£63,375,071	£27,359,993	£29,291,078	8.0%	8.0%
Cumbria	£42,262,637	£40,163,605	£19,720,095	£18,696,566	9.7%	8.0%
Darlington	£12,132,500	£13,901,582	£5,290,397	£6,179,436	10.0%	12.0%

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Derby	£35,175,614	£34,604,099	£15,647,028	£15,216,022	9.8%	8.0%
Derbyshire	£69,402,000	£68,128,711	£33,031,554	£32,566,660	10.1%	8.3%
Devon	£66,640,572	£69,435,158	£30,710,230	£32,150,463	9.8%	10.7%
Doncaster	£28,932,000	£28,418,992	£13,370,279	£12,952,995	12.0%	12.0%
Dorset	£34,997,014	£38,552,839	£15,839,159	£15,839,159	8.0%	8.0%
Dudley	£29,970,000	£30,689,367	£12,381,842	£12,795,964	12.0%	12.0%
Durham	£48,936,000	£52,320,883	£21,460,204	£23,111,816	12.0%	12.0%
Ealing	£52,641,000	£54,584,414	£24,602,556	£25,562,170	8.0%	8.0%
East Riding of Yorkshire	£21,526,496	£21,890,007	£10,156,248	£10,365,504	12.0%	12.0%

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East Sussex	£50,509,000	£48,813,016	£23,239,408	£22,313,217	9.9%	8.0%
Enfield	£44,604,100	£42,678,463	£21,057,172	£20,035,265	8.0%	8.0%
Essex	£131,999,000	£133,464,541	£60,382,948	£60,711,824	9.1%	8.2%
Gateshead	£21,779,000	£23,423,725	£9,741,377	£10,309,739	10.1%	11.5%
Gloucestershire	£57,213,334	£58,888,867	£25,651,202	£26,413,962	9.3%	9.5%
Greenwich	£46,008,431	£45,126,204	£20,822,255	£20,425,393	8.0%	8.0%
Hackney	£41,304,614	£42,072,650	£19,442,307	£19,672,343	8.0%	8.0%
Halton	£16,559,000	£16,744,464	£7,353,514	£7,415,620	10.4%	9.7%
Hammersmith and Fulham	£20,080,000	£25,328,053	£7,957,023	£10,323,708	10.0%	12.0%

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Hampshire	£107,228,000	£112,142,615	£46,009,539	£48,219,193	11.9%	12.0%
Haringey	£35,854,000	£37,301,947	£16,458,948	£17,671,816	8.0%	9.3%
Harrow	£32,204,396	£33,935,112	£14,670,609	£16,183,194	8.0%	8.0%
Hartlepool	£10,661,230	£11,055,775	£4,691,163	£4,830,435	12.0%	12.0%
Havering	£22,698,263	£23,104,218	£10,603,814	£10,864,176	8.0%	8.0%
Herefordshire	£14,329,000	£15,228,453	£6,405,621	£6,835,457	10.1%	11.7%
Hertfordshire	£104,161,000	£96,035,672	£45,998,113	£41,684,508	9.7%	8.0%
Hillingdon	£35,130,000	£37,901,510	£15,937,975	£16,531,207	8.0%	8.0%
Hounslow	£46,277,000	£43,969,262	£21,161,149	£19,770,158	8.0%	8.0%
Isle of Wight	£14,878,000	£15,125,330	£6,947,456	£7,026,538	8.8%	8.2%

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Islington	£27,605,000	£25,704,986	£12,796,427	£11,849,000	8.5%	8.0%
Kensington and Chelsea	£16,005,000	£18,475,045	£6,809,805	£7,826,422	9.2%	12.0%
Kent	£198,170,384	£201,319,968	£87,889,671	£89,111,010	8.0%	8.0%
Kingston upon Hull, City of	£27,369,000	£29,452,088	£12,464,500	£13,392,044	11.4%	12.0%
Kingston upon Thames	£20,455,000	£24,387,628	£8,976,122	£10,170,298	8.0%	8.0%
Kirklees	£34,398,000	£38,359,762	£15,415,901	£17,431,771	12.0%	12.0%
Knowsley	£19,610,000	£20,250,367	£8,859,253	£9,500,775	9.6%	11.3%
Lambeth	£41,803,000	£43,202,050	£19,484,987	£20,045,053	8.0%	8.0%

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Lancashire	£107,475,969	£115,344,201	£48,059,906	£51,674,972	10.8%	12.0%
Leeds	£64,812,672	£62,965,901	£29,213,162	£27,961,776	12.0%	12.0%
Leicester	£48,130,000	£49,712,326	£21,035,562	£21,695,560	9.1%	9.3%
Leicestershire	£66,021,052	£65,600,503	£29,719,333	£29,322,935	8.0%	8.0%
Lewisham	£50,703,795	£49,918,291	£23,746,610	£23,726,543	8.0%	8.0%
Lincolnshire	£81,631,706	£71,806,451	£36,453,765	£31,452,152	8.0%	8.0%
Liverpool	£46,055,754	£45,044,591	£19,616,464	£18,952,957	12.0%	12.0%
Luton	£27,392,047	£25,796,378	£12,903,647	£12,011,509	8.9%	8.0%
Manchester	£70,934,000	£73,933,742	£31,740,266	£32,949,888	10.3%	10.6%
Medway	£37,383,544	£37,937,026	£16,183,808	£16,332,538	8.0%	8.0%



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Merton	£32,356,000	£32,931,007	£15,277,871	£15,727,827	8.0%	8.0%
Middlesbrough	£23,289,000	£25,176,850	£9,124,362	£9,896,952	10.8%	12.0%
Milton Keynes	£39,034,784	£36,313,678	£17,544,196	£16,156,659	8.0%	8.0%
Newcastle upon Tyne	£35,824,000	£34,006,268	£15,267,989	£13,369,798	10.2%	8.0%
Newham	£47,501,000	£45,495,509	£22,742,098	£21,748,357	8.0%	8.0%
Norfolk	£77,048,000	£87,591,102	£34,785,120	£40,128,171	8.9%	12.0%
North East Lincolnshire	£17,110,000	£18,008,607	£7,857,000	£8,273,304	10.9%	11.9%
North Lincolnshire	£15,742,247	£16,651,091	£7,245,123	£7,858,045	10.4%	12.0%

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North Northamptonshire	£31,726,993	£31,060,819	£13,939,813	£13,566,355	8.4%	8.0%
North Somerset	£23,072,107	£23,628,641	£10,738,608	£11,021,194	8.0%	8.0%
North Tyneside	£20,261,000	£18,699,163	£8,781,008	£8,159,089	11.1%	8.0%
North Yorkshire	£47,902,000	£51,451,351	£22,572,000	£24,505,176	9.6%	12.0%
Northumberland	£32,233,000	£33,395,315	£14,918,567	£15,395,725	11.1%	11.4%
Nottingham	£29,440,298	£34,060,022	£13,233,330	£15,004,616	12.0%	12.0%
Nottinghamshire	£60,464,237	£64,551,368	£28,901,777	£31,044,551	12.0%	12.0%
Oldham	£29,919,445	£31,747,525	£13,051,513	£13,860,004	12.0%	12.0%
Oxfordshire	£58,980,000	£60,766,723	£25,631,572	£26,274,593	10.0%	9.8%

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Peterborough	£27,943,570	£28,817,087	£12,304,297	£12,617,135	9.6%	9.5%
Plymouth	£29,624,000	£30,040,088	£12,706,156	£12,964,070	9.5%	9.2%
Portsmouth	£19,459,000	£18,237,402	£8,202,242	£7,563,214	12.0%	12.0%
Reading	£19,261,400	£20,163,658	£9,816,786	£10,315,234	8.0%	8.0%
Redbridge	£41,789,615	£43,176,345	£19,881,199	£20,782,845	8.0%	8.0%
Redcar and Cleveland	£16,108,173	£16,478,324	£7,212,513	£7,373,918	10.8%	10.6%
Richmond upon Thames	£24,910,000	£27,165,046	£11,202,856	£12,371,588	8.0%	8.0%
Rochdale	£21,538,000	£22,663,846	£9,880,294	£10,304,355	12.0%	12.0%

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Rotherham	£28,730,000	£33,249,674	£12,800,816	£14,877,653	11.1%	12.0%
Rutland	£3,882,327	£3,448,267	£1,894,017	£1,693,987	8.0%	8.0%
Salford	£31,575,000	£35,089,051	£14,295,170	£16,014,719	10.4%	12.0%
Sandwell	£38,667,228	£38,192,391	£17,549,646	£17,231,074	10.1%	8.2%
Sefton	£27,556,000	£27,547,001	£12,282,358	£12,180,760	10.5%	9.0%
Sheffield	£52,725,000	£52,767,461	£23,206,115	£23,063,010	12.0%	12.0%
Shropshire	£25,079,000	£25,542,102	£11,933,200	£12,168,226	10.5%	10.2%
Slough	£23,221,000	£25,288,162	£10,435,307	£11,541,586	8.0%	8.0%
Solihull	£26,742,580	£27,512,008	£11,670,480	£12,002,001	8.0%	8.0%
Somerset	£49,758,400	£52,180,559	£22,689,838	£23,992,388	10.0%	11.3%

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South Gloucestershire	£31,202,526	£35,908,047	£14,310,432	£16,723,983	8.0%	8.0%
South Tyneside	£17,097,000	£16,577,345	£7,344,925	£6,935,097	11.3%	8.0%
Southampton	£22,619,942	£25,112,958	£10,168,037	£11,421,113	10.1%	12.0%
Southend-on-Sea	£17,783,562	£18,284,005	£7,495,531	£7,673,752	12.0%	11.6%
Southwark	£42,884,908	£51,618,450	£19,286,806	£23,588,536	8.1%	12.0%
St Helens	£21,669,000	£20,696,332	£9,921,978	£9,154,127	9.2%	8.0%
Staffordshire	£71,442,921	£75,709,634	£30,027,599	£31,824,286	10.6%	11.8%
Stockport	£29,822,000	£29,734,568	£13,727,728	£13,532,039	9.3%	8.0%
Stockton-on-Tees	£25,035,326	£25,312,656	£11,114,311	£11,335,351	10.3%	10.1%

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Stoke-on-Trent	£29,493,037	£36,139,084	£13,774,243	£16,951,354	10.9%	12.0%
Suffolk	£57,940,447	£58,766,773	£26,558,785	£26,572,841	10.5%	9.3%
Sunderland	£23,186,530	£22,798,372	£9,905,450	£9,856,871	12.0%	12.0%
Surrey	£142,348,000	£147,055,349	£64,484,117	£66,417,221	8.0%	8.0%
Sutton	£36,954,000	£35,897,090	£16,830,505	£15,836,843	8.0%	8.0%
Swindon	£30,232,000	£30,114,410	£13,470,520	£13,406,324	8.0%	8.0%
Tameside	£19,028,045	£19,298,827	£8,655,813	£8,772,385	12.0%	12.0%
Telford and Wrekin	£20,801,209	£21,197,631	£9,156,063	£9,296,174	9.4%	8.9%
Thurrock	£22,444,000	£24,655,929	£10,295,138	£11,488,693	8.0%	11.2%
Torbay	£17,218,000	£18,899,388	£7,179,459	£7,930,828	9.6%	12.0%

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Tower Hamlets	£46,677,410	£47,094,720	£21,058,113	£20,835,296	8.0%	8.0%
Trafford	£25,038,000	£25,547,970	£11,396,274	£11,676,365	8.0%	8.0%
Wakefield	£28,074,000	£30,298,748	£12,587,527	£13,647,974	12.0%	12.0%
Walsall	£29,893,640	£29,300,096	£13,562,165	£13,103,926	12.0%	12.0%
Waltham Forest	£36,047,353	£37,427,505	£15,661,426	£16,334,578	8.0%	8.0%
Wandsworth	£43,284,977	£40,731,670	£17,844,426	£16,787,764	8.0%	8.0%
Warrington	£20,096,525	£21,524,241	£9,013,192	£9,675,828	9.4%	11.4%
Warwickshire	£59,201,333	£60,491,309	£26,627,879	£27,044,981	8.0%	8.0%
West Berkshire	£20,056,000	£19,611,347	£8,419,066	£8,222,127	8.0%	8.0%

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West Northamptonshire	£37,324,588	£36,540,882	£16,399,215	£15,959,868	9.9%	8.7%
West Sussex	£77,406,000	£75,663,821	£34,641,903	£33,583,219	9.6%	8.0%
Westminster	£24,756,000	£23,943,920	£11,439,465	£10,941,779	8.0%	8.0%
Wigan	£27,444,000	£27,865,018	£12,527,873	£12,658,559	12.0%	12.0%
Wiltshire	£47,147,500	£44,709,479	£21,322,449	£20,105,850	9.4%	8.0%
Windsor and Maidenhead	£18,718,500	£19,336,963	£8,239,495	£8,413,116	8.0%	8.0%
Wirral	£35,061,200	£34,136,451	£14,518,418	£13,924,046	12.0%	9.2%
Wokingham	£18,049,608	£19,306,041	£8,420,712	£9,054,679	8.0%	8.0%



LA Name	Current 2017-18 baseline used for historic spend factor	2017-18 actual expenditure amount we propose to use in future	Original funding through the historic spend factor	Proposed level of funding through the historic spend factor	Actual % increase in high needs allocations between 20-21 and 21-22 <sup>11</sup>	Theoretical % increase in high needs funding allocations between 20-21 and 21-22 (using the proposed historic spend factor)
Wolverhampton	£33,071,000	£31,224,735	£14,420,809	£13,344,136	9.5%	8.0%
Worcestershire	£48,080,000	£50,445,094	£21,006,015	£22,199,767	10.8%	11.8%
York	£18,417,903	£18,711,381	£7,994,161	£8,024,818	8.0%	8.0%

5. The different historic spend amounts, if used in the 2021-22 national funding formula calculations, would have meant that 47% of authorities would have experienced a change in their allocations, with 35 receiving a larger increase and 36 receiving a smaller increase. For 79 authorities, the effect of the 8% funding floor and the 12% limit on gains would have been to override the impact of the change in the historic spend factor value.
6. If a local authority wishes to query the amounts in table 2 above, please send the enquiry to [HighNeedsNFF.CONULTATION@education.gov.uk](mailto:HighNeedsNFF.CONULTATION@education.gov.uk) by the end of the consultation period.

# Annex C: The high needs NFF consultation equalities impact assesment

## The Public Sector Equality Duty

1. The Equality Act 2010 identifies the following as protected characteristics for the public sector equality duty:
  - Age
  - Disability
  - Gender Reassignment
  - Pregnancy and Maternity
  - Race (including ethnicity)
  - Religion or belief
  - Sex
  - Sexual orientation
  
2. Under Section 149 of the Equality Act 2010, the Secretary of State is under a duty to have due regard to the need to:
  - a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
  - b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
    - remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
    - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
    - encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
  - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it, in particular the need to:
    - tackle prejudice, and
    - promote understanding.

## What we are proposing in this consultation package

3. This consultation sets out proposed changes to the high needs national funding formula for 2022-23, and seeks views on some aspects of the formula that we are looking to change in future years. The formula calculates funding allocations to local authorities for the education of children and young people with special educational needs and disabilities (SEND) or those who require alternative provision (AP). Local authorities distribute this funding to schools, colleges and other providers.

### **Consideration of the protected characteristics identified in the Equality Act 2010**

4. This is an assessment, pursuant to the public sector equality duty, of the potential impact of these proposals. The Equality Act 2010 identifies eight protected characteristics, as set out in paragraph 1. Our initial assessment is that our funding reform proposals may impact positively on children and young people with a disability by improving the local authority level distribution of resources they can access, and so better matching available resources to need. We have no evidence to suggest there would be a negative impact, either on those with a disability, or on those young people with other protected characteristics. We welcome stakeholder feedback on this topic.

### **Consultation question**

5. We welcome your views on the equalities impact of our proposals for change. If you do have any comments on the impact that these proposals may have on equality, please let us know by answering question 6 within this questionnaire.



Department  
for Education

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## High Needs Consultation questions

### Question 1

The historic spend factor in the high needs national funding formula is the main proxy we currently use for local circumstances that can significantly affect local authorities' levels of spending on high needs, and that take time to change. This formula lump sum is calculated using 50% of each local authority's planned expenditure on high needs in 2017-18, reported by local authorities.

We now have access to actual spending data from 2017-18. We therefore propose replacing the current lump sum included in the formula calculation with an amount calculated on the basis of actual expenditure in 2017-18, as reported by each local authority.

Before answering the question below, please read section 3 of the consultation document. Annex B to that document includes further information, and for each local authority the lump sum amount that we propose to use.

Do you agree that we should replace the current lump sum included in the formula calculation with an amount calculated on the basis of actual local authority expenditure, as reported by each local authority?

Agree  Disagree  Unsure

Please provide any additional comments:

Actual spending data is a better reflection on expenditure patterns than using budgeted expenditure figures.

Nationally this would mean that the amount attributable to this factor would increase and would therefore have to be funded through decreases in other factor areas or attributing any future growth in the overall pot to this factor.

Moreover, funding protection would kick in where appropriate in any case to level this out so the impact would be minimal in a lot of cases overall.

## Question 2

The historic spend element of the high needs national funding formula has remained at a cash-flat level since the introduction of the national formula in 2018-19, moving from 44% of the overall formula funding in 2018-19 to 34% in the 2021-22 formula as that total funding has increased. Some local authorities may not have been able to change their spending patterns to keep pace with the percentage reduction in this factor, despite the protection afforded by the funding floor minimum increase of 8% this and next year. We are therefore considering whether to increase the proportion of funding allocated through this factor, alongside using actual expenditure amounts.

Using actual expenditure from a more recent year, and leaving the percentage at 50%, would increase the amount of the lump sum, but we are not proposing to do this as we are clear that local authorities' actual spending now or in future should not determine how much funding they receive. We could, however, increase the significance of this factor in the 2022-23 formula, by increasing the percentage of 2017-18 spending that is applied, allowing for a more gradual rate of change in the local pattern of spending.

Before answering the question below, please read section 3 of the consultation document.

Do you think that we should increase the percentage of actual expenditure in 2017-18 included in the funding formula calculation, or leave it at 50%? Use the comments box to propose a particular increase or reduction in the percentage.

Increase the percentage  Keep the percentage at 50%  Decrease the percentage  Unsure or other

Comments:

Increasing the percentage to 60% would give authorities like Bromley more certainty over the funding in the coming years. However, this, much like the first question, would need to be funded from either a decrease in other factors or future growth being attributed to this area in the first instance.

Moreover, funding protection would kick in where appropriate in any case to level this out so the impact would be minimal in a lot of cases overall.



### **Question 3**

We are aware that the continued use of historic spend is not the perfect long term solution for reflecting the patterns of local demand and supply that affect spending on high needs, as those patterns will naturally change over time. As part of the funding formula review that we are carrying out, and for consideration as we develop that formula in the years after 2022-23, we are therefore seeking views on potential alternatives to the historic spend factor. Any new factors would need to be appropriate for a funding formula (e.g. the data used should be collected on a consistent basis) and would also need to avoid creating a perverse incentive (e.g. to spend more on a certain type of provision so as to gain more funding, rather than to improve the quality or appropriateness of provision).

Before answering the question below, please refer to section 3 of the consultation document.

To what extent do you agree that the funding formula should include factors that reflect historical local demand for and supply of SEND and AP provision? If you have any suggestions for such factors that could eventually replace the historic spend factor, please provide these in the comments box.

Strongly agree  Agree  Neither agree nor disagree  Disagree  Strongly disagree

Comments:

Would not want to use EHCP's or current spend as this would be a perverse incentive. Anything that rewards spending should be discouraged.

In terms of whether the funding formula should include factors that reflect historical local demand for and supply of SEND and AP provision – does the Forum have a view?

#### Question 4

The high needs national funding formula uses low attainment at both key stage 2 and key stage 4 as a proxy indicator for SEND. This figure is calculated using an average of results over the most recent 5 years of tests and exams, which for the 2022-23 formula would have meant using test and exam results from 2016 to 2020. Due to the COVID-19 pandemic, the 2020 key stage 2 tests and GCSE exams were cancelled. This has resulted in no key stage 2 data, and GCSE data that would be inappropriate to use because of the inconsistencies with the results from previous years.

We have considered using the same data as used to calculate last year's attainment formula factors, but this would mean data from more than 5 years ago. Instead, we propose to calculate low attainment by using data from 2016 to 2019, but then to double the weighting of the most recent exam data from 2019. This method could be used for a further year, assuming the 2021 test and exam results are also not able to be used for this purpose.

Please refer to section 4 of the consultation document before answering the following question.

Do you agree with our proposal to update the low attainment factors using data from 2016, and to substitute the most recent 2019 data in place of the missing 2020 attainment data?

Agree  Disagree – calculate in the same way as last year  Disagree – other (please provide further details in the comments)  Unsure

Comments:

It seems a sensible approach if this factor is going to continue to be used. It will negate any outlying data sets that may occur

## Question 5

The high needs national funding formula uses six indicators which together act as a proxy for the level of more complex SEND, and need for alternative provision (AP) in an area. These indicators include: a measure of the local population of children and young people, the two low attainment measures (key stage 2 and key stage 4) referred to in question 4, two health and disability measures (the number of children in bad health and the number of families in receipt of disability living allowance), and two deprivation indicators (the number of children eligible for free school meals and a local area deprivation measure).

Numbers of EHC plans are not be used as a robust indicator of underlying need because the way they are used varies considerably across local areas, and the number of plans is therefore not necessarily directly associated with the local authority's need to spend. The ongoing SEND review is considering whether system changes are needed, to provide more consistency in EHC needs assessment and planning process, and to improve other aspects of the SEND arrangements.

Following the SEND review, we will consider whether consequent changes to these proxies that we use in the funding formula, as well as other funding changes, would be appropriate, as it is important that the proxies used support local authorities to deliver the outcomes of the review. At this stage we are keen to understand whether there are new factors either that could replace existing factors that have become out of date or otherwise unreliable, or that could be added to the formula to address types or prevalence of identified need, and we would welcome views.

Please refer to section 5 of the consultation document before giving your comments.

If you wish to offer ideas on factors that could be added to the current formula, or that could replace the current proxies, please provide further details in the comments box below.

Please provide your answer in the box below:

The addition of the "Ever 6" proxy measure to the calculation for Free School Meals would provide a better/more robust measure of need in an LA. Using a longer period measure brings this proxy into alignment with other measures in the formula.

If we could only use one of the proxies, we would suggest Ever 6, but we feel the longer term plus snapshot (number of FSM) gives a more comprehensive measure of need in an LA.

## Question 6

Please provide any information that you consider we should take into account in assessing the equalities impact of the proposals for change. Before answering this question, please refer to Annex C of the consultation document.

Please provide your answer in the box below:

This consultation does not address the overall issue of funding, it is looking at tinkering around the edges of existing funding formulas. Whilst the use of alternative factors is pleasing, unfortunately it is not addressing the underfunding of this area as a whole.

Bromley without the funding protection and using the current factors available would lose a considerable amount of funding (about 13% or £7.5m worth of funding) if the funding factors alone were used. Clearly the funding formula is not addressing the fundamental flaws and not putting funding into the right places

Whilst the protection is welcomed there is always the threat that should the protection be removed, there would be a cliff edge of funding that would detrimentally affect the Council. Clearly our expenditure could not be held against the current formula funding levels only. Bromley is spending more each year on High Needs due to increasing numbers and complexity and the funding is not following to the same degree. Bromley needs assurances that adequate funding will follow the child and be sufficient for future needs without having to go into a deficit position.

In addition to the HNF formula, we strongly recommend that the SEN Notional Budget included in school's funding formula becomes ringfenced funding (not notional). We are increasingly facing challenge from schools that they do not receive the full £6k funding. By having the funding ringfenced, schools can be clear on the funding they receive to support children with SEN and will be accountable for evidencing their investment in this support.

Report No.  
CEF21015

London Borough of Bromley

PART ONE - PUBLIC

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**Decision Maker:** **SCHOOLS' FORUM**

**Date:** **Tuesday 23 March 2021**

**Decision Type:** Non-Urgent Non-Executive Non-Key

**Title:** **UPDATE ON REVIEW OF ALTERNATIVE PROVISION**

**Contact Officer:** Peta Smith, Children's Commissioning Manager  
Tel: 020 8461 7234 E-mail: Peta.Smith@bromley.gov.uk

**Chief Officer:** Director of Education

**Ward:** All

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1. Reason for report

To update the Forum on the actions taken to respond to the findings and recommendations from the Strategic Review of Alternative Provision Report (November 2019)

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2. **RECOMMENDATION(S)**

**That the Forum note the actions taken to date to implement the recommendations from the Strategic Review including the new Design Principles for Bromley's AP System**

**That the Forum endorse the 5 year commissioning plan and its overarching aim to shift provision in line with the Design Principles into earlier intervention**

**That the Forum note the intention to move into a 5 year agreement with London South East Academies Trust to provide relational and financial assurances to support their significant shift in provision (type and volume) in line with the 5 year commissioning plan**

**That the Forum endorse the principle of "money follows the child" as ratified by the Bromley Inclusion Partnership and agrees for the principle to be included in school funding agreements**

## Impact on Vulnerable Adults and Children

1. Summary of Impact:
- 

## Corporate Policy

1. Policy Status: Existing Policy:
  2. BBB Priority: Children and Young People:
- 

## Financial

1. Cost of proposal: Estimated Cost: £3,816k (an annual recurring reduction of £441k on existing annual expenditure of £4,258k)
  2. Ongoing costs: Recurring Cost:
  3. Budget head/performance centre: various Education cost centres
  4. Total current budget for this head: £4,258k
  5. Source of funding: DSG
- 

## Personnel

1. Number of staff (current and additional): 3FTE
  2. If from existing staff resources, number of staff hours:
- 

## Legal

1. Legal Requirement: Statutory Requirement Education Acts 1996 and 2006 (as amended by the Children, Schools and Families Act 2010) – duty to provide full time education for children of compulsory school age who would not receive it unless arrangements were made.
  2. Call-in: Not Applicable:
- 

## Procurement

1. Summary of Procurement Implications: As a public to public contract, this agreement is exempt from the full requirements of the Public Contracts Regulations 2015
- 

## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): current – 327; projected - 593
- 

## Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

3.1 A strategic review of Alternative Provision (AP) provision in Bromley was carried out in 2019. It found that the system in Bromley was generally working well, but there were some areas that would benefit from change to improve the outcomes achieved for our pupils.

3.2 The review highlighted a number of positive aspects of the AP system:

- a. Bromley has a full continuum of local provision for pupils with behaviour/SEMH needs at both primary and secondary phases, including PRUs and SEMH special schools.
- b. Provision quality has improved significantly since the management of the schools came under LSEAT. Provision of this type can be volatile and the schools are generally calm, with stable and better quality leadership and staffing. Recent OfSTED inspections have all been good.
- c. Recent additions such as the Primary Outreach service and the Vocational AP Programme have been positively received. Primary Heads reported that they appreciated support at staff/school development level as well as around challenging individual pupils. Secondary Heads using the Vocational Programme report more positive pupil engagement, although there have been some practical difficulties with the implementation of the model for some schools (and it is too soon to know the impact on permanent exclusion levels).
- d. The Authority has taken steps to unify its existing support services, with clearer strategic direction. Central capacity is comparatively limited but there is considerable staff commitment to supporting schools and getting the best outcomes for vulnerable pupils and their families.
- e. A number of mainstream schools are reviewing their in-house capacity for supporting pupils with behaviour/SEMH difficulties in order to meet their needs and prevent exclusion.
- f. Relationships between the Authority, schools and trusts are improving and there was evidence from the review of greater openness to work in partnership going forward.
- g. The Authority has developed a more coordinated process (Gateway) for reviewing referrals for provision and considering a broader range of options.
- h. Fair Access Panels have been established at both primary and secondary stages, in which mainstream Head Teachers are actively engaged.

3.3 The key issues found in the review were:

- a. Model of provision (primary aged AP)
  - Despite the provision of outreach support, the numbers of full-time admissions to the primary PRU remain relatively high overall.
  - There is limited use of short-term or part-time/sessional placements.
  - A significant number of pupils progress into more specialist provision, particularly at primary/ secondary transfer.
  - Mainstream schools should retain responsibility for pupils placed in the provision and there should be clear reintegration plans set out before the start of placements.
  - Costs of primary PRU placements are high compared to the average for this kind of provision.
- b. Model of provision (secondary aged AP)
  - Secondary PRU is generally accessed through permanent exclusion. This can provide pupils with a negative start to alternative provision rather than it being seen as part of a positive plan to support improved educational engagement and better outcomes.

- There have been limited opportunities for reintegration though this option is being considered more frequently over the recent period.
- Limited use is made of short-term intervention although this is on offer, and there is no formal secondary outreach capacity to assist mainstream schools in meeting challenging needs.
- Secondary schools consider that there should be a more differentiated offer to reflect differences in individual pupil needs.
- There is potential for greater flexibility between PRU and SEMH school provision, as these are managed within the same multi-academy trust.
- Some pupils with SEMH are continuing to be placed out of Borough in higher cost independent/non-maintained special schools.
- A more coherent pathway needs to be developed for pupils who are considered to be unfit to attend school for emotional/mental health reasons. There may be scope for exploring a more preventive service and/or a more consistent/unified approach to this issue across the secondary sector and Council/NHS mental health services.

c. Levels of demand

- Bromley Heads have reported increasing challenges in responding to the needs of pupils with behaviour difficulties/mental health issues in mainstream schools, and there has been a call for greater levels of support and a greater diversity of external provision. This is an issue that tends to be raised by Head Teachers nationally.

d. Equity of access

- Although mainstream Heads are engaged in the Fair Access Panel arrangements and there is a centralised panel for some aspects of support, the current system does not support equitable access to the resources available, which are shared by all Bromley schools. There is insufficient transparency on how much different schools are getting or what contribution they are making to meeting the overall need.

3.4 Bromley Council and Bromley Schools accepted the findings, and in late 2019 set up three working groups (primary school; secondary school; emotional needs/ school refusers), each with agreed tasks to address the gaps identified in their areas. These groups were overseen by a strategic decision-making group (Bromley Inclusion Partnership) that is made up of Council and School senior representatives and worked to a set of jointly developed Design Principles for the new AP system.

3.5 The work of the groups led to the creation of a set of commissioning intentions for AP which were agreed by the Bromley Inclusion Partnership in July. These commissioning intentions underlie a 5 year plan which aims to reshape the AP system to dramatically increase the number of pupils supported but keep within the existing budget. Key to its success is shifting the focus of provision into early intervention and thereby reduce the overall unit cost per pupil.

## Design Principles

3.6 A set of Design Principles for Bromley's AP system were devised by the groups and agreed by the Bromley Inclusion Partnership. These principles underly all of the actions outlined in this report. The principles are:

- Commission AP support on behalf of Bromley schools that is aligned to Bromley pupil need and is of high quality.
- Promote and support early intervention.
- Build capacity to manage behaviour successfully in school.
- Share best practice across all Bromley education settings.



- Ensure the Bromley AP budget is used effectively and efficiently.
- Support the principle of 'money follows the child'.
- Ensure access to support is equitable for all schools and a suitable education is accessed at the earliest opportunity.
- Promote re-integration to mainstream education when appropriate.
- Develop strategies around whole family to achieve better outcomes for AP pupils.

### **Primary school working group outcomes**

- 3.7 The group reviewed the current menu of provision and developed a long term commissioning plan. This will lead to a significant increase in early intervention and a decrease in places commissioned at BTA Midfield over the next 5 years.
- 3.8 The group also reviewed the current resource panel's role, make up and processes. This has led to a proposed change to the way Fair Access Protocols and panel are carried out. A consultation with all primary schools on the proposal will take place later this term with a view to making recommendations to the Schools Forum to change current FAP processes to make them more effective and relevant to schools.
- 3.9 In addition to changes to central resource allocations and FAP, the group identified a role for local hubs to bring together schools and support to have early discussions about children and interventions to address concerns as they arise. Further work will be done on this proposal during this academic year.
- 3.10 Whole school training and learning opportunities have been agreed as part of the expanded Outreach service.

### **Secondary Working Group Outcomes**

- 3.11 The group developed a long term commissioning plan and identified outreach and respite support as the key new services needed. Again, the proposal is to shift the focus of services from provision based support and introducing early intervention services for up to 100 children by the end of the 5 years. There also was an agreement to extend and expand the Vocational AP Programme with an increase in the school contribution per pupil.
- 3.12 Fair Access Protocol processes and panels were also reviewed and a new proposal for the constitution, focus and responsibilities of the FAP panel was created. This proposal will also be consulted on and the outcome presented to the Schools Forum for sign off.

### **Emotional Needs/ School Refuser Working Group Outcomes**

- 3.13 This group reviewed the existing support available and developed a new pathway for support that shifted the focus of provision and resources to early intervention. A scoping exercise will be carried out this term to understand the number of pupils this pathway needs to support and so understand the level of resourcing it would require. Once this has been completed the long term commissioning intentions for this cohort will be agreed by the Bromley Inclusion Partnership.
- 3.14 The group is also intending to form smaller working groups to create flexible frameworks for school so response to need is consistent across the borough.

## **Commissioning Intentions (5 year plan)**

- 3.15 A 5 year commissioning plan has now been created to reflect the recommendations of the working groups. This plan is a fully costed model of provision showing the shift from the current market to one that is focussed on earlier intervention. This summary of the plan outlines the key changes in provision both in the 2020-21 academic year and overall.
- 3.16 The plan includes the following proposed changes:
- An 81% increase in the number of pupils supported by the AP system
  - A year on year reduction in overall spend
  - An upfront additional expenditure in the first year, which will be fully repaid in year 3 of the changes
- 3.18 The 5 year plan includes an increase of planned recoupment by year 5 which also contributes to the reduction in cost per pupil. Currently, while LBB is able to recoup AWPU payments for pupils who are dual registered, this is not carried out. One of the key design principles for the new system is that “the money follows the child”. All of the working groups have signed up to this principle which has been ratified by the Bromley Inclusion Partnership.
- 3.19 This report now seeks agreement from the School’s Forum for the principle to be included in school funding agreements.
- 3.20 The plan includes the establishment of three new AP roles; two caseworkers to manage the expanded and refocussed FAP meetings and case work as well as a recoupment officer to follow placement decisions to ensure the full amount of funds able to be recouped are. The costs of these posts are accounted for and included in the plan and are part of the annual decrease in net expenditure.
- 3.21 The 5 year plan covers 5 academic years, starting in September 2020. The actual places to be commissioned will be subject to annual agreement with the provider, to reflect local needs.

## **Contract with BTA (part of LSEAT)**

- 3.21 The strategic review identified that BTA is providing effective and quality provision and achieving good outcomes for our pupils. The Council is now working with BTA to agree a 5 year contract to deliver on the reconfiguration of services outlined in the commissioning intentions and the overall redesign of AP services.
- 3.22 The contract will ensure that both the Council and BTA commit to working in partnership to achieve the design principles for AP as well as take joint responsibility for achieving the agreed system outcomes. This will include clear reporting on outcomes achieved against the 5 year plan; joint accountability for any shortcomings to the Bromley Inclusion Partnership; and joint responsibility for keeping expenditure to the planned levels.
- 3.23 The contract will see an increase in the number of pupils BTA support from 248 in 2019/20 to 510 in Year 5. This is a 106% increase in pupil numbers, which is achieved through a significant shift from provision based support to early intervention.
- 3.24 The contract will be introduced during the 2020-21 academic year. The Director of Education has delegated authority to secure this agreement, in consultation with the Portfolio Holder.

#### 4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

- 4.1 The purpose of the system re-design is to expand the number of CYP that our AP provision supports. These are CYP who are at risk of exclusion or disruption to their education due to behavioural issues and a lack of engagement in education. The 5 year plan sets an ambitious target to increase in the number of CYP 81% (593 compared to 327).
- 4.2 A key design principle of the new system is to build capacity to manage behaviour successfully in school. This expands the focus of interventions from the CYP to the school and the environment they learn in. By skilling up school staff to enable them to carry on the successful interventions from AP provision and review and redesign the learning environments they provide, we will be creating a system that achieves sustainable change and improvements in outcomes for CYP at risk of exclusion.

#### 5. POLICY IMPLICATIONS

- 5.1 The Transforming Bromley Roadmap 2019-2023 sets out several key commitments including; *“Ensure the delivery of Children’s Services and Education is sustainable and helps our children and young people at the earliest point of need.”*
- 5.2 This new approach to the AP system does exactly that and will help more children access the support they need earlier and in an affordable way. It introduces a nuanced approach to support allowing flexibility with graduated interventions tailored to individual children’s needs.

#### 6. FINANCIAL IMPLICATIONS

- 6.1 In order to ensure these changes are sustainable, the new AP system needs to keep within the existing expenditure. While significantly increasing the number of pupils supported in the new AP system, the 5 year plan is kept within existing expenditure by reducing the overall unit cost per child. This is achieved firstly by changing the focus of support from provision based support to outreach and early intervention support which is cheaper as it has less overheads. Additionally, the plan will increase income to the council (to offset costs of provision) through increased reimbursements through implementing “the money follows the child” design principle.

- 6.2 The proposed costs and savings are summarised in the table below:

	<b>Baseline</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cost of proposal	4,258	4,712	3,880	3,878	3,848	3,816
In year costs compared to baseline		454	-378	-380	-410	-442
Cumulative payback		454	76	-304	-714	-1,156

- 6.3 It can be seen that whilst there is an initial investment in year one, costs reduce from year two. The payback occurs in year three. The savings year on year maximise at £442k per annum
- 6.4 The calculations are not an exact science and will fluctuate as the services develop. This will need to be monitored closely to ensure that the savings are realised, and costs managed as far as possible.
- 6.5 Procurement of specialist education placements (SEN and AP) are made via the DfE’s High Needs Place Change Notification Process which requires an annual return to be made to the ESFA. This return lists the number of specialist educational places a Local Authority intends to commission from the Trusts in its area (following discussions with the Trusts and analysis of demand). The ESFA then top slice £10k for every place from that LA’s Designated Schools

Grant High Needs Block and take responsibility for making those payments directly to the relevant educational settings.

- 6.6 DfE High Needs Funding Guidance then requires a Local Authority to agree top up payments for the commissioned specialist educational places with the relevant educational settings. These payments are made on a per pupil basis as they are admitted to the setting.