

SECTION D

RECOMMENDATIONS FOR COMMISSIONING OF OTHER HIGH NEEDS BLOCK AREAS

Contents

- D1 Summative recommendations
- D2 High Needs Block: scope
- D3 High Needs Block: 2013-14 funds
- D4 High Needs Block: comparative expenditure
- D5 High Needs Block: areas of risk
- D6 Potential impact of new legislation
- D7 Special educational needs transport
- D8 Special education equipment

D1 Summative recommendations

1. In order to ensure that financial data is helpfully used to inform decision making it is recommended that models of cost attribution are based on actuals rather than proxy indicators.
2. In order to have a full understanding of the cost involved in addressing each area of need it is recommended that all costs associated with an area of need are coded in a way that can be brought together a single financial out-turn.
3. In order that a value for money evaluation can be made by the commissioner it is recommended that outcome and destination data is used to see what provision / which placements achieve the best outcomes at what price.
4. In order to ensure that risk is minimised any identified areas of risk should be reviewed by the financial team and the SEN commissioner. If it is agreed they are a potential area of risk, then a monitoring and review strategy should be agreed.
5. In order to ensure resources are effectively targeted the banded funding framework needs to be reviewed and consideration given to 'narrower' bands, or adopting a 'nearest' band model.

D2 High Needs Block: scope

The School Funding Reforms were introduced with the intention of making funding *'fairer, simpler, more consistent and transparent'*¹.

Arrangements for the current financial year 2013-14 are transitional and the full impact will not be felt until the next financial year.

As it is a new financial allocation model and is anticipating a new special education resource model that has not finished its parliamentary process, it is not possible to make direct comparison with previous years' fundings or with other Local Authorities.

The basis for calculating the High Needs Block for the 2012-13 starting baseline is defined in the regulations as embracing the following Section 251 lines:

- a. Delegated budgets of special schools
- b. Centrally funded provision for individual pupils
- c. SEN support services
- d. Support for inclusion
- e. Independent special school fees
- f. Pupil referral units
- g. Education out of school
- h. Delegated allocations relating to individual pupils – Individually Assigned Resources
- i. Delegated allocations relating to special units and specially resourced provision in mainstream schools
- j. SEN transport (where charged to the schools budget)
- k. Other central budgets relating to special schools
- l. Any remaining Post-16 SEN block grant after removal of element 1 and 2 (the top up element only)
- m. Adjustments will be made for base funding of high needs places in provision not maintained by the Authority, but to which it sends pupils
- n. Additions will be made for spend on high needs students aged 16-25 in further education above element 1 and 2 (FE) providers and independent specialist providers (ISPs) held by the EFA (the top-up element only).

The basis for calculating the High Needs Block is planned to change. This is set out in the *School funding reform: arrangements for 2013-14* which confirms that *'the notional High Needs Block, [will be] based on the 2012-13 [Section 251, as above] spend, possibly updated with 2013-14 population projections'*².

¹ DfE *School funding reform: next steps to a fairer system* March 2012

² DfE *School funding reform: arrangements for 2013-14* Chapter 2 Page 15 Section 81a

The rationale behind this is 'because local authorities are responsible for all the young people with high needs who live in their local area'³.

High needs is defined in the *Reform of funding for high needs pupils and students: operational implications for educating institutions* (see Appendix 4).

'Defining high needs

3. *When we refer to pupils and students with high needs, we are using this term to mean young people who need educational provision that costs more in total, including the basic provision given to all pupils and students, than about £10,000 per year. This threshold defines the level of need that we would expect to be met through mainstream funding and those for whom additional funding is required. Pupils and students with high needs include pupils aged from birth to 19 with high-level special educational needs (SEN), pupils of compulsory school age in alternative provision (AP), and those aged 16-25 with high-level learning difficulties or disabilities (LDD) including those aged 19-25 who are subject to a learning difficulty assessment (LDA).*

The new approach to high needs funding: A summary

4. *Under the new approach to high needs funding, which we have called place-plus:*

- a. *mainstream providers (schools, Academies, FE colleges) will be expected to contribute the first £6,000 of the additional educational support provision for high needs pupils and students from their notional SEN budget (pre-16) or a specific additional education support allocation of £6,000 for each high needs student on roll during the last academic year (post-16) – this is over and above the costs of per-pupil or per-student teaching and learning provided by the educating institution;*
- b. *specialist SEN / LDD settings will receive a base level of funding of £10,000 per planned place for pupils pre-16, and an allocation generated by the 16-19 national funding formula plus £6,000 for each high needs student on roll during the last academic year – this is equivalent to the level up to which mainstream settings will be expected to contribute;*
- c. *AP settings will receive a base level of funding of £8,000 per planned place; and*
- d. *top-up funding above these levels will be provided on a per-pupil basis by the commissioner placing the pupil – this will be agreed between the commissioner and educating institution.'*

³ DfE *School funding reform: next steps to a fairer system* March 2012 Page 31 Section 2.2.8

D3 High Needs Block: 2013-14 funding

Gateshead SEN Financial Return S251 for financial year 2013-14

	Early years	Primary	Secondary	Special / AP	Post school	Totals
1.2.1 Top up funding - maintained providers		1,539,951	1,163,481	5,066,542		7,769,973
1.2.2 Top up funding - Academies and Free Schools		27,022	713,246	857,527		1,597,795
1.2.3 Top up funding - independent providers				1,907,849	230,783	2,138,632
1.2.4 Other AP provision						-
1.2.5 SEN support services		1,842,501	1,392,067	51,838		3,286,406
1.2.6 Support for inclusion	95,637	95,305	72,006	2,681		265,629
Totals	95,637	3,504,778	3,340,800	7,886,437	230,783	15,058,435

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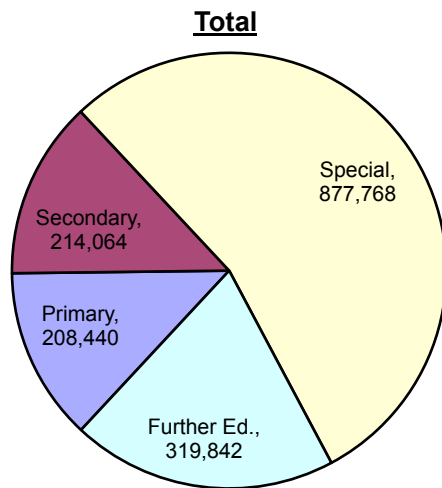
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2. Transport costs over time

Gateshead finance team have recently undertaken a detailed review of transport costs which demonstrated the potential for significant savings in this area.

It shows that the bulk of the costs related to special school related transport and that costs for FE transport are greater than those related to either Primary or Secondary schools.



However special school costs have a lower average cost per pupil, presumably as a consequence of more pupils leading to opportunities to share transport and so reduce costs.

D8 Special education equipment

Equipment is sometimes required to help pupils access learning. This can be physical access, such as adapted chairs, or the presentation of curriculum, such as through braille.

Information from Gateshead's finance officer shows that equipment spend has steadily fallen over the past five years:

2008/9	£40,65.09
2009/10	£30,078.50
2010/11	£33,485.55
2011/12	£24,362.42
2012/13	£22,273.56 (transactions to 13.13.13)

In the 2012/13 list there were seven invoiced over £1000:

1. £5,685	Enhanced Vision Europe Ltd
2. £2,010	Enhanced Vision Europe Ltd
3. £1,737	Dell Computer
4. £1,690	Human Wave Europe Ltd
5. £1,635	Dolphin Computers Access Ltd
6. £1,518	James Leckey Design
7. £1,575	Mediation Works

Of these, three (1, 2 and 4) provide equipment for visual impairment. Leckey provide positioning equipment for children with special needs. It is not clear why mediation is coded to this budget.

The most frequent supplier was Connevans Ltd with seven invoices totalling £14,09.69. Connevans are the main supplier of equipment for the deaf and hard of hearing. They also supply some equipment for partially sighted pupils.

Of the 46 invoices the largest identifiable group (at least 15) can be attributed to visual impairment needs.

There are variations in the profile of expenditure. For example in 2011-12 there were 5 invoices identifiable as seating/positioning equipment totalling £11,093.

As there are such significant fluctuations in budgets it would be difficult to break down the actual budget and distribute it to service areas. A national budget might encourage spending against a perceived balance. It is however helpful to be able to associate costs against service areas and outcomes. Awareness is an important element of budget management.

Recommendations: special education equipment

1. In order to ensure proper cost attribution and accountability it would be helpful if costs could be directly associated to the area of need (e.g. VI or PMLD) and the service managers informed.
2. In order to ensure effective use of resources a working group should explore the viability of establishing a database and equipment store that would allow resources to be recycled and resources reduced.
3. In order to ensure costs fall appropriately on the Local Authority budget a joint commissioning protocol should be established with Health Services which indicates agreement on which service has responsibility for which area and establishes a protocol to address the issue of one service (e.g. physiotherapist from health) expecting expenditure from the other.