

ADDITIONAL INFORMATION

Alternative Provision

The LA has convened three workshops to consider Alternative Provision: on 6 December 2018, 4 April and 30 April 2019. The outcome of these workshops will be presented in a report and consultation document later during the Summer term 2019.

Forest Pathways

Forest Pathways specialises in working with year 11 students who have arrived in the country during Year 11 of their education. Many of these require some extra help with their English (in some cases learning to read and write from scratch), as well as Maths and/or with completing their GCSEs in 1 year with additional language support.

Forest Pathways is funded at £22,000 per place currently which is a significant premium above other forms of alternative provision.

Details are provided in the consultation document about proposals specifically relating to Forest Pathways.

Commissioning Groups

The Director of Learning has established commissioning groups to look in detail at the contract for SEND Success outreach with Whitefield; the contract for Home Hospital Tuition with Hornbeam; the Alternative Provision contract with the Hawkswood Group (including Forest Pathways and the PRUs); and the School Resourced Provision across 11 mainstream schools (various SEND provisions).

The commissioning groups comprise officers from the LA's commissioning team; Education Finance; the Director of Learning and Systems Leadership; and the Disability Enablement Service (DES) for special educational need provisions or the Behaviour, Attendance and Children Missing Education service (BACME) for pupil referral units and alternative provision. These groups consider both educational outcomes for students and value for money issues. The minimum arrangement is for an annual meeting with each provider, but may be more regular if, and where, appropriate. These new commissioning arrangements will culminate in an annual report to the Deputy Chief Executive and to Schools Forum.

SEN Financial Strategy and Policy Document

The Director of Learning has established a working group of officers to co-ordinate work streams relating to High Needs funding and to agree a financial policy document. The document will set out the LA's operational policies, such as arrangements for nursery provision and not automatically providing additional place-led funding when making a "spot purchase" above the formal number of commissioned places.

Call for Evidence and Spending Review

The Department for Education (DfE) has issued a call for evidence on Provision for children and young people with special educational needs and disabilities, and for those who need alternative provision: how the financial arrangements work. In addition to seeking views on Special Educational Needs and Disability (SEND) financing, the call seeks views on the increasing number of children attending Alternative Provision (AP) and the consequent pressure on the High Needs Block for financing this provision. NB: The DfE is not seeking evidence on the shortfall, or otherwise, in the volume of funding which is a matter for the forthcoming spending review.

<https://consult.education.gov.uk/funding-policy-unit/funding-for-send-and-those-who-need-ap-call-for-ev/>

Officers will be participating in the call for evidence and are working with London Councils, the Society of London Treasurers and the Local Government Association (LGA) to influence the forthcoming spending review. Officers are also attending meetings with the Ministry of Housing, Communities and Local Government (MHCLG).

Top Up Funding (Element 3): Extracts from ESFA High needs funding 2019 to 2020 Operational Guide, September 2018

79. Top-up funding is the funding required, over and above the core funding an institution receives, to enable a pupil or student with high needs to participate in education and learning. This is paid by the local authority which places the pupil or student and should reflect the costs of additional support to meet the individual pupil or student's needs. Top-up funding can also reflect costs that relate to the facilities required to support a pupil's or student's education and training needs (either for individuals or on offer to all) and can take into account expected place occupancy levels and other factors.

81. Local authorities bear the ultimate responsibility for decisions on top-up funding, as they are accountable for spending from their high needs budgets. In all instances, pupils or students with an EHC plan must have their placement commissioned by a local authority and an agreement should be in place between the local authority and the institution that confirms the amount of top-up funding to be paid (as set out below). Even where provision is specified in an EHC plan, there is no statutory requirement that a local authority has to pay top-up funding at a particular rate requested by a school or institution.

88. As part of their discussions on how high needs funding is used, local authorities should work with institutions that have pupils or students with high needs to ensure there are clear processes for determining and allocating top-up funding. This should include agreeing what additional needs mainstream schools and colleges should meet from their own resources (taking account of any additional support or funding provided centrally) and where top-up funding might be provided. This information should be published as part of the local offer of SEND services and provision.

91. Many local authorities have systems which indicate the range of top-up funding which might be provided for children and young people with a particular complexity of need (sometimes referred to as 'banded' funding systems). This can be helpful in providing clear and transparent funding arrangements for many types of need that may be met in a range of different institutions. Where a local authority makes a large number of placements at an institution or range of institutions, a system for the local authority and institutions to agree levels of top-up funding in advance can be a very efficient way of allocating this funding. However, the final allocation of funding must be sufficient to secure the agreed provision specified in any EHC plan.

93. The extent to which local authorities and institutions agree on standardised rates, local banding arrangements and streamlined administration to reduce the need for detailed negotiation of different top-up funding amounts for each pupil or student. We would support approaches that both create certainty for institutions on the level of funding they can expect to receive for the provision they make, and are sufficiently responsive to changes in the number and needs of the pupils and students being placed in the provision.

Current Resource Ladder

| CURRENT RESOURCE LADDER | | | | | | |
|---------------------------------------------------------------|------------|---------|--------|-----------|-------------------------|--------------|
| | BOTTOM | | MID | | | TOP |
| | WHITEFIELD | PRIMARY | SRP | SECONDARY | HORNBEAM & JOSEPH CLARK | BELMONT PARK |
| D | 13,500 | | | | 14,500 | 17,500 |
| E | 18,000 | 18,000 | 19,000 | 19,000 | 19,000 | 22,000 |
| F | 24,750 | 24,750 | 25,750 | 25,750 | 25,750 | 28,750 |
| G | 27,500 | 27,500 | 28,500 | 28,500 | 28,500 | 31,500 |
| H | 31,250 | | | | 32,250 | 35,250 |
| I | 53,000 | | | | 54,000 | 57,000 |
| *HORNBEAM COMBINES FORMER BROOKFIELD HOUSE AND WILLIAM MORRIS | | | | | | |

There are significant anomalies in the current Resource Ladder (which dates from 2013-14) which does not ensure that resources are being targeted appropriately. The Resource Ladder expresses the total value and includes (for mainstream schools) Element 2 and Element 3 funding from schools' own resources.

There are three bands in the current Resource Ladder: secondary schools are in the mid band while primaries are in the bottom band. The rationale was that the secondary AWPU (element 1) is around £1,000 more than the primary AWPU. This does not reflect any special need, but rather it assumes that the higher AWPU for Key Stage 3 and 4 is required for all secondary pupils and is pass-ported into high needs support.

Places in special schools and SRPs are allocated funding irrespective of age so it seems inequitable to set the mainstream secondary rate to capture the key stage driven element 1. Secondary schools bear the cost of the higher rate as they are expected to contribute more, leading to a lower top-up rate.

As the extra £1,000 is a fixed amount at each level, it has an inverse relationship to need. The £1,000 at Level E is a 5.6% uplift at Level E but only a 3.6% uplift at Level G.

| | Top Up | Element 1 (AWPU) | Element 2 (Notional SEN) | School Contribution | Level E |
|------------|--------|------------------|--------------------------|---------------------|---------|
| | £ | £ | £ | £ | £ |
| Primary | 8,455 | 3,545 | 6,000 | 9,545 | 18,000 |
| Secondary | 8,175 | 4,825 | 6,000 | 10,825 | 19,000 |
| Difference | -280 | 1,280 | 0 | 1,280 | 1,000 |

*Table above shows 2018-19 AWPU

For special schools, the funding bands were set to reflect the size of the settings with Whitefield on the bottom band; Brookfield House, Joseph Clarke and William Morris on the mid band (£1,000 higher); and Belmont Park on the top band (£4,000 higher).

The difference between the bands is a version of place-led funding, topping-up settings above the standard £10,000 per place to £11,000 (mid) or £14,000 (top). As these amounts are fixed they have an inverse relationship to the level of need. For example £4,000 extra for Level E on the high band compared to the bottom band is an uplift of 29.6%, while £4,000 extra for Level I is only an uplift of 7.5%.

The number of places in each setting has increased since the Resource Ladder was introduced, with the exception of Belmont Park. In addition to growing individually, special schools have joined together in multi-academy trusts: in April 2014, Whitefield Schools and Centre and its partner school, Joseph Clarke School, joined together to become Whitefield Academy Trust (438 places); and in 2015, William Morris School and Brookfield House School joined together as the Hornbeam Academy Trust.

The Hornbeam Academy Trust includes two other schools in Havering: Dycorts School (87 places); and Ravensbourne School (86 places); and is working with Essex County Council on establishing a new school in Harlow, Essex. The Hornbeam MAT including the out-borough schools is nearly twice the size of the original two schools. Whitefield MAT is 41 places (10%) larger than when the Resource Ladder was established and the Hornbeam MAT is 38 places (18%) larger.

Special Schools places 2013-14 compared to 2017-18

| | average FTE across the financial year | | | |
|-------------------|---------------------------------------|---------------|--------|------------|
| | 2013-14 | 2017-18 | change | |
| Whitefield | 316.75 | 345.00 | 28.25 | 9% |
| Joseph Clarke | 80.50 | 93.40 | 12.90 | 16% |
| Whitefield MAT | 397.25 | 438.40 | 41.15 | 10% |
| Brookfield House | 79.25 | | | |
| William Morris | 134.17 | | | |
| Hornbeam MAT (WF) | 213.42 | 252.10 | 38.68 | 18% |
| Dycorts | | 87.00 | | |
| Ravensbourne | | 86.00 | | |
| Hornbeam MAT | | 425.10 | 211.68 | 99% |
| Belmont Park | 53.17 | 51.90 | -1.27 | -2% |

Schools Block Transfer

If Schools Forum do not agree to the 0.15% transfer the LA may submit a disapplication request to the DFE by 30 November 2019 asking for the regulations that otherwise ring-fence the Schools Block to be dis-applied. It is by no means certain that the disapplication request would be allowed and the previous request for a transfer of 0.5% was rejected for 2019-20, partly due to the absence of a recovery plan. This will be in place for 2020-21.

The £298,000 (0.15%) that would be transferred from mainstream schools' Schools Block funding represents around 1% of HNB funding. This would be a significant contribution towards assisting a balanced budget while other measures to make High Needs expenditure sustainable are consulted on and agreed.

The LA believes that it would be imprudent not to use the mechanism provided by the DFE to reduce pressure on the HNB and that not doing so would undermine our representations regarding underfunding of High Needs.

Any transfer is a one-off for 2020-21 but LAs that made a transfer to the HNB in 2018-19 were allowed to repeat it in 2019-20 without referring to the DFE if their Schools Forum agrees. Unless significant immediate increases in funding or reductions in expenditure materialise, it is very likely that this measure will need to be rolled forward and repeated into 2021-22.

There have been no previous transfers from the Schools Block to the HNB. There have been transfers from the Early Years Block but these have been ring-fenced to support provision in the early years.

Arguably, there has been a series of one-off transfers from the HNB to the Schools Block: £1.354 million, comprising £854,000 transferred from the HNB reserve to mainstream schools to support the Primary and Secondary Challenges and £500,000 transferred to mainstream schools in 2016-17 for PRU top-up fees; and £2 million for the “Universal Offer” to mitigate the cuts in School Improvement and Early Help budgets, providing support for raising standards and reducing achievement gaps and strengthening the school system, both via collaboration to drive improvement and developing CPD and Leadership.

Additional place-led funding

There has been an expectation that any spot-purchasing of additional places above the number commissioned will attract both top-up funding and additional £10,000 place-led funding. The High Needs Funding Operational guide 2018-19 makes clear in paragraphs 70 and 71 that it should not be assumed that additional place-led funding is automatic:

“How place funding and top-up funding work together

Once the total place funding is allocated to an institution, it’s for the institution to decide how best to apportion this core funding, across the actual number of places commissioned by local authorities irrespective of the local authority in which a child resides, in line with the principles set out above.....

Once it has been agreed to place a pupil or student in an institution, the commissioning local authority then agrees an amount of top-up funding for the individual pupil or student over and above the place funding to make up the full cost, bearing in mind the provision and support that may be specified in each individual pupil or student’s EHC plan.”

What are the Pressures?

The pressures on the HNB are demand-led, predominately a new burden resulting from the implementation of the Children and Families Act 2014.

A recent survey by ALDCS and the Society of London Treasurers found that the cumulative High Needs deficit is now nearly £70m across London and 2018-19 projections show that this trend will continue. The number of children and young people with an Education Health and Care Plan (EHCP) has risen significantly across England since 2015 and risen disproportionately in London. All boroughs are now recording a shortfall in High Needs funding.

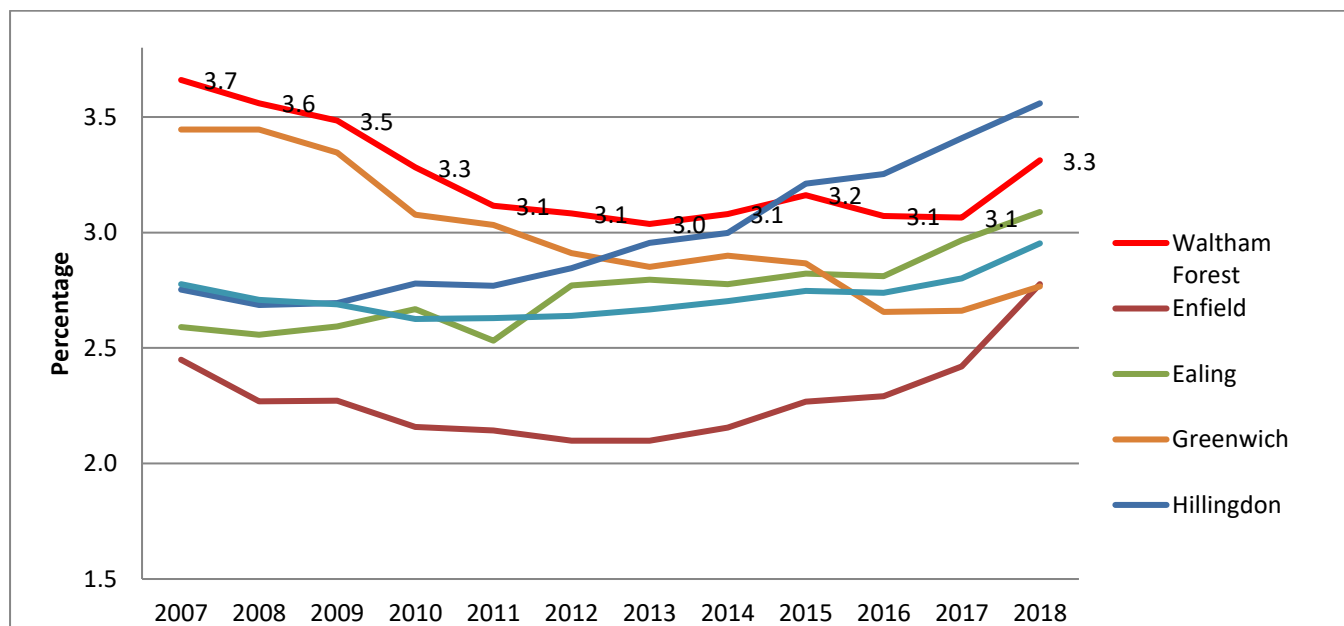
The unfunded pressure on the HNB is acute in Waltham Forest where the percentage of pupils with EHCPs, 3.3%, is above both the Outer London and Inner London average. The number of EHCPs has grown 20% between January 2017 and January 2018 (11.3% nationally), driven by large increases in

the 16-19 and 20-25 age groups. Since 2017, the number of Level E EHCPs (£18,000 a year) has grown by 25% to 433 and Level F EHCPs (£25,000 a year) has grown 25% to 865.

There has been a 12% increase in special school places 2013-14 to 2017-18.

The chart below shows the percentage of pupils in Waltham Forest schools with an Education, Health and Care Plan (EHCP). The chart compares the proportion for Waltham Forest against some of its statistical neighbours.

Table 1: Percentage of pupils with an EHCP in Waltham Forest schools as a proportion of pupil population



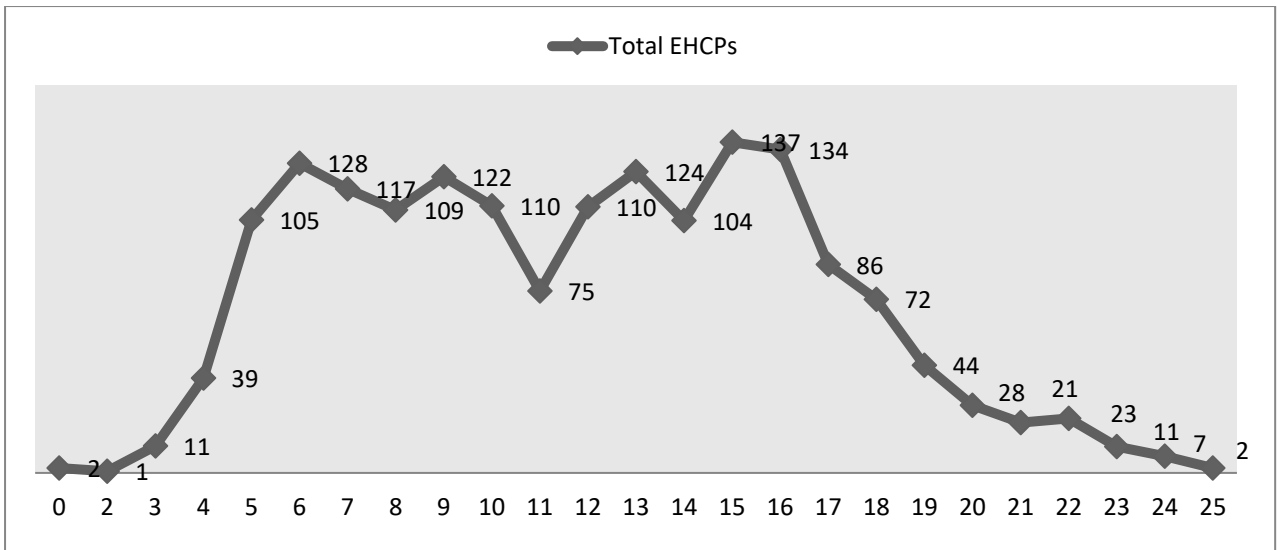
The chart illustrates that Waltham Forest has a high proportion of pupils with EHCPs. The proportion is greater than that of Outer London and its statistical neighbours. In the year to January 2018, there is a sharp rise in the number of EHCPs as a proportion of pupil population.

The Disability Enablement Service (DES) will evaluate and attempt to understand the reasons why LBWF has above average level of EHCPs. In their finding an assessment will need to be made about whether a change in practice is needed or not.

The Children and Families (CAF) Act 2014 has now been in place for 4 years. The additional post 16 and post 19 pupil growth that resulted from the implementation of the CAF 2014 is now starting to top-out because the first group of post 19 pupils would be aging out now. **Table 2** shows the number of pupils above the age of 16 tapering off at 20 years old.

At 19 years old, there are 44 pupils with an EHCP but by 23 years old there are only 11. By 25 years old there are only 2.

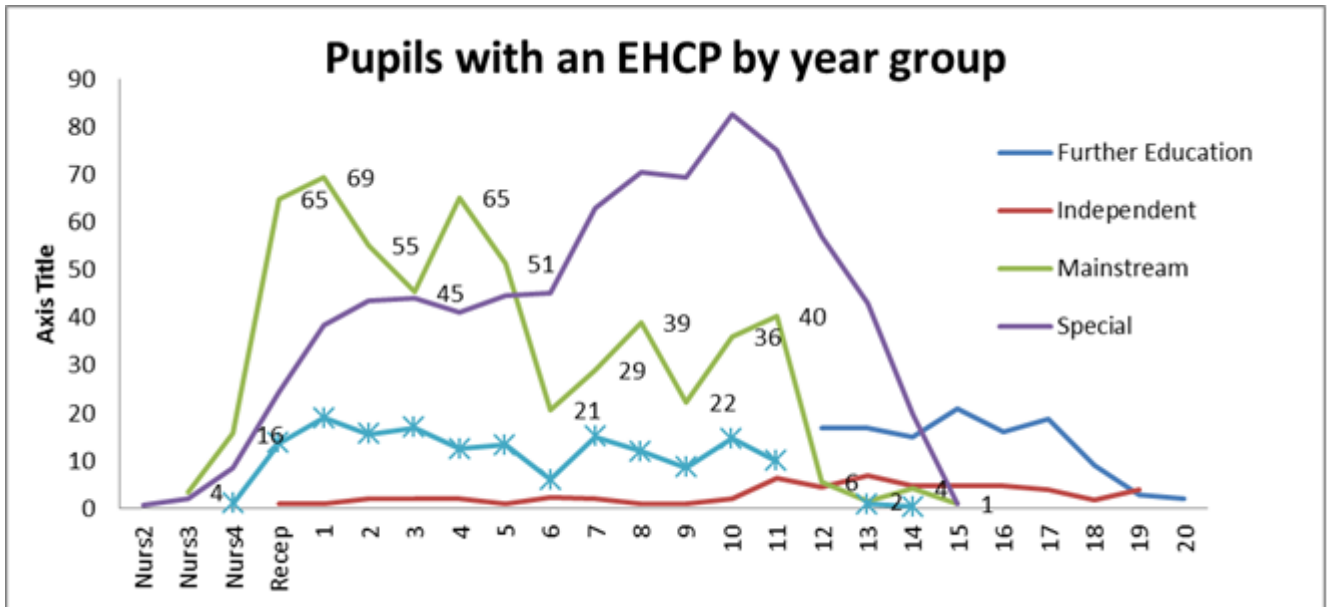
Table 2: Illustrates the number of pupils with an EHCP per age group



Year 6 Transition

The transition from primary to secondary schools is very costly for the HNB. The data shows a decline in pupils in a mainstream setting by nearly 2/3rds between Year 6 and Year 7. Alternatively, special school places increase dramatically from Year 6 to Year 7.

Table 3: Illustrates the number of pupils with an EHCP per age group



Due to the higher demands on the HNB of special school places, the average cost being £25,000 per place compared to £10,000 in a mainstream school this is a very costly phenomenon.

Independent Schools and FE Colleges

Officers have done some analysis to evaluate the average cost per provision and this work will continue.

Independent placements cost only on average £5,000 more than special school placements. LBWF already spends below Outer London and its statistical neighbours on independent placements.

FE college places have an average top-up rate of £10,268 and a total cost including the element 2 funding of £16,268. This is lower than Outer London and the average of our statistical neighbours.

Comparative Spend Analysis

The following table demonstrates that Waltham Forest has relatively low spend on independent special schools and relatively high spend on top-ups.

| COMPARATIVE SPEND ANALYSIS | | | | | |
|------------------------------------|----------------|--------------|----------------------------------|-----------------------------------|--|
| | | | | | |
| Per 1000 population 2-18 year olds | Waltham Forest | Outer London | 5 closest statistical neighbours | 10 closest statistical neighbours | |
| | £ | £ | £ | £ | |
| Place funding | 172 | 103 | 149 | 138 | |
| of which :- | | | | | |
| PRUS | 46 | 24 | 24 | 23 | |
| Special Schools | 125 | 78 | 125 | 115 | |
| Top ups | | | | | |
| Mainstream, Schools | 326 | 280 | 252 | 286 | |
| Independent Specials | 42 | 129 | 110 | 111 | |