

CONSULTATION ON ALLOCATION OF HIGH NEEDS FUNDING 2020-21

INTRODUCTION

The High Needs Block (HNB) allocation to Waltham Forest for Financial Year (FY) 2019-20 is £37.391 million, including an additional £0.683 million which was announced in December 2018.

The forecast HNB budget attributable to the Local Authority (LA) in FY 2019-20 after £8.585 million recoupment for academy and FE place funding and a £0.631 million contribution from the Early Years Block is estimated at £29.436 million.

	£ million
2019-20 High Needs Allocation	36.642
Additional funding announced December 2018	0.683
Sixth Form Grant	0.067
Total High Needs Funding	37.391
Less Place-led funding for academies and FE recouped by ESFA	-8.585
Plus contribution from Early Years Block	0.631
Available to the Local Authority	29.436

The current pressures and rates of funding mean that there is a forecast accumulated underfunding of £4.2 million as at 31 March 2020, excluding growth and mitigating actions. The underfunding comprises a brought forward balance of £1.474 million from 2018-19 and a projected continuing base pressure of £2.75 million in 2019-20.

The projected base deficit is being driven by significantly increasing numbers of young people needing additional support, along with previous decisions about the level of funding required to meet the needs identified at specific levels that were unrealistic and unsustainable in the longer term. Current figures show that Waltham Forest 'Level 1' funding is over 2 times higher than the average of other neighbouring Local authorities: £3,800, (Islington LA currently funds 'Level 1' at £1,175, whilst Hackney LA currently funds at £4,895).

This was an historic figure, selected many years ago, that does not reflect the current Educational climate, and does not have a specific link to the content of our current Education, Health and Care Plans (EHCPs). Significant work has been undertaken to review current levels, based on the needs identified, and in partnership with schools, to consider the appropriate level of funding required to meet the needs as articulated in current EHCPs.

An accumulated balance of £4.2 million would represent be the equivalent of 11% the High Needs Block and 1.6% of the total DSG. This would breach the ESFA's threshold of 1% of the total DSG and the Local Authority would be required to report to the ESFA on its plans for bringing the DSG back into balance.

In preparation for this requirement the LA is consulting on its plans for allocating High Needs funding in 2020-21, setting a balanced budget and aiming to ensure that the projected accumulated balance is not increased further.

ASSUMPTIONS FOR 2020-21

There is much uncertainty about the financial position in 2020-21: firstly, the outcome of the government's spending review; and secondly, the level of demand growth during 2019-20. For

planning purposes, it is assumed that both funding and the level of need in 2020-21 are the same as that projected for 2019-20.

INCLUSION GROUP

Schools Forum refreshed the membership and terms of reference of the Inclusion Group in December 2018 with the intention of agreeing proposals to allocate the HNB for 2020-21. The group met on 28 January, 13 February, 21 March and 23 April 2019.

The LA's plans for 2020-21 reflect the consensus reached by the Inclusion Group on 23 April 2019.

PROPOSALS

Alternative Provision – Forest Pathways

This provision is particularly expensive, (when compared to other provisions). It is proposed to commission other arrangements for this cohort of students, either through more mainstream settings, or through a new commission which combines Year 11 with a similar provision for Years 12 and 13. This would have the advantage of providing opportunities for current Year 11s to engage in mainstream learning opportunities from a much earlier stage, thereby enhancing their life chances considerably.

Additional changes are taking place across the wider Alternative Provision offer within the Borough. These will be consulted on in a separate process and will also impact on the HNB spend.

SEND Success Outreach Contract and Home Hospital Contracts

The Director of Learning has been negotiating with the Whitefield and Hornbeam special academy trusts through their commissioning groups. Whitefield (SEND Success), and Hornbeam (Home Hospital), have both agreed to provide an amended service offer which protects the quality of current service delivery, but which represents far better value for money for the HNB.

New Resource Ladder

It is proposed that a new, simplified Resource Ladder will be fully operational by April 2020. This has been based on a review of current EHCPs and extensive conversations with school leaders. The new Ladder is similar in design to the previous one, with a layered approach to increasing the funding allocated to meet increased levels of need. However, it is a simplified version, bringing Primary and Secondary together, and using funding amounts that more closely reflect the levels of provision that will be able to meet the needs as identified within the EHCPs. It is anticipated that young people in mainstream settings and special resource provision currently in receipt of 'top-up' funding will be assimilated onto the new Ladder on 1 April 2020.

The proposed ladder is as follows:

Level 1 (current Band E)	£5,000
Level 2 (current Band F and G)	£15,000
Level 3 (current Band H)	£21,000
Level 4 (current Band I)	£43,000

This will be introduced from September 2019 and will form the basis for the allocation of top-up funding. However, mainstream schools and special resource provision will receive 100% transitional relief until 31 March 2020. Special schools receive on-going protection under the special schools

minimum funding guarantee which limits any reductions to their total budget (i.e. including place-led funding) to 1.5% per year.

Transfer from the Schools Block

It is proposed that Schools Forum should agree to a request for a 0.15% transfer (£298,000) from the Schools Block to the High Needs Block. This is intended to support the 'Inclusive' approach taken by the Borough and its schools, based on the premise that 'ALL' schools have a shared ownership for SEND pupils across the Borough, regardless of how many are in any one specific school.

CONSULTATION TO DATE

In addition to the Inclusion Group meetings, the Director of Learning has met with governors, schools and parent group over the past four months:

Inclusion Group meetings: 28 January, 13 February, 21 March and 23 April 2019.

SEND Parent Forum: 28 November, 29 April.

Governors briefing: 11 February, 8 May.

There will be further SEND Parent Consultation meetings and a Headteacher Consultation event: tbc

Schools Forum has been consulted on these plans at an extraordinary meeting on Tuesday 14 May and agreed this consultation document for a wider consultation including all schools, parent groups and governors. This wider consultation will run from 15 May to 12 June and the results of the wider consultation will be presented to Schools Forum at a second extraordinary meeting on Wednesday 19 June 2019.

APPENDICES

Please see attached Appendices:

1. Additional Information
2. High Needs Budget Summary 2018-19 to 2020-21
3. Illustration of proposed Levels 1 and 2
4. Illustration of Schools Block transfer

CONSULTATION DETAILS

Schools are asked to comment on the proposals contained within this document and to also comment on the proposal for the planned spending of the HNB for the period April 2020 to March 2021.

Please send your responses to EducationFinance@walthamforest.gov.uk by 5pm on 12 June 2019.

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