

NATIONAL HIGH NEEDS FUNDING FORMULA: STAGE TWO CONSULTATION QUESTIONS

High Needs funding is currently based mainly on LA spending patterns dating back to 05-06 2017-18 High Needs blocks updated to reflect 2016-17 spend but still no reflection of need. High Needs NFF uses proxy measures of need.

Avoidance of 'perverse incentives' to identify SEN to secure additional funding

No local authority to see a reduction in its High Needs allocation as a result of the NFF

Transitional annual gains of up to 3%

Question 1

In designing our national funding formula, we have taken careful steps to balance the principles of fairness and stability. Do you think we have struck the right balance?

“We ask respondents to bear in mind with the following two questions that we are redistributing funding. Any money that we put into one factor will have to come from another factor. We have indicated what we think is the right proportion or amount for each factor”.

In the illustration £14.94m (38.74%) out of an eventual total allocation of £38.57m is provided in acknowledgement of the authority's historic high needs spending level. The basic entitlement funding is intended to mirror in principle the basic Age-Weighted Pupil Unit provision for mainstream schools. The value chosen though is consistent with the basic entitlement rate used in the 16-19 funding formula.

Question 2

We are proposing a formula comprising a number of formula factors with different values and weightings. Do you agree with the following proposals?

- **Historic spend factor – to allocate to each local authority a sum equal to 50% of its planned spending baseline**
- **Basic entitlement – to allocate to each local authority £4,000 per pupil**

Population – 2.8% of the national pupil population either has a SEN statement or an Education, Health and Care Plan. The local authorities with the lowest proportions of such pupils sit at about half that national average rate so 50% of the remaining funding will be allocated by population to cover the minimum levels [£110.24 per pupil]

Deprivation – 10% of high needs funding is spent on alternative provision with deprivation the most closely correlated factor to the need for AP as a result of school exclusions. Increased weight given under the NFF to Deprivation – 10% via Free School Meals (£215 per FSM pupil) and 10% via IDACI (ranging from £32.34 per Band F pupil to £96.06 per Band A pupil).

The remaining factors are equally weighted. The values per pupil derived from the NFF illustration are: -

KS2 Low Attainment	£1,306.72 per identified pupil
KS4 Low Attainment	£1,346.00 per identified pupil
Children in bad health	£2,860.69 per identified pupil
Disability	£519.79 per identified pupil

Question 3

We propose to use the following weightings for each of the formula factors listed below, adding up to 100%. Do you agree?

- **Population – 50%**
- **Free school meals eligibility – 10%**
- **IDACI – 10%**
- **Key stage 2 low attainment – 7.5%**
- **Key stage 4 low attainment – 7.5%**
- **Children in bad health – 7.5%**
- **Disability living allowance – 7.5%**

The funding floor excludes the basic entitlement factor and the import/export adjustment so changes in these will flow through to local authorities.

The pledge that no local authority will lose funding as a result of the High Needs NFF replaces the Stage 1 proposal that losses would be protected by a Minimum Funding Guarantee.

Is it fair that some local authorities will continue to receive funding higher than their measured needs merit?

Question 4

Do you agree with the principle of protecting local authorities from reductions in funding as a result of this formula? This is referred to as a funding floor in this document.

Question 5

Do you support our proposal to set the funding floor such that no local authority will see a reduction in funding, compared to their spending baseline?

Local flexibility is important in making sure that the funding system is responsive to changes in the balance of mainstream and specialist provision within the local area.

Ability to target additional disproportionality funding to particularly inclusive schools

No restrictions on transfer of funds between high needs block, the central school services block and the retained elements of the early years block.

With the agreement of Schools Forum and a majority of primary and/or secondary schools and academies, funds can be transferred from schools block formula funding to the high needs budget.

Question 6

Do you agree with our proposals to allow limited flexibility between schools and high needs budgets in 2018-19?

Idea floated of allowing schools in an area to pool funding to be directed towards those schools that need it most for their pupils with SEN with the agreement of the LA.

Local strategy for specialist and alternative provision should take flexibilities into account

Question 7

Do you have any suggestions about the level of flexibility we should allow between schools and high needs budgets in 2019-20 and beyond?

Question 8

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

As a reminder, the **nine** protected characteristics are...

Age
Gender reassignment
Pregnancy and maternity
Religion or belief
Sexual orientation

Disability
Marriage and civil partnership
Race
Sex (gender)

Question 9

Is there any evidence relating to the eight protected characteristics as identified in the Equality Act 2010 that is not included in the Equalities Analysis Impact Assessment and that we should take into account?