

SCHOOLS' FUNDING FORUM

SUBJECT:	High Needs Funding – Analysis of re-applications
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SUMMARY OF REPORT:

The contents of this report provides an analysis of the re-application of High Needs (HN) funding for pupils over the last 12 months (Aug 16 to Aug 17)

FOR:	Information and Comment
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1. Introduction

- 1.1 HN funding applications are submitted annually and the purpose of this paper requested by the SFF at its meeting on the 30 June 2017 is to look at what trends, if any, may exist for re-applications.
- 1.2 The new HN mainstream funding application process was introduced in Kent in April 2015. For the period up to August 2016 the applications were in the main either new first time applications or re-applications that were previously paid under the old Individually Assigned Resources (IAR) process. A smaller analysis of 273 re-applications was done in the autumn of 2016 and the overall financial outcome of this limited sample showed a net increase in cost of £0.187m.
- 1.3 The information in this new analysis is taken from the period August 2016 to August 2017 and we believe this provides a more robust representation of any trends that exist in HN funding applications. The data analysed is based on the element 3 (top up) costs for 2,038 HNPs.

2. Analysis of data

- 2.1 In August 2016 there were 2,038 high needs pupils (HNPs)_in receipt of HN funding. At the SFF meeting in June 2017 the number of HN pupils reported against August 2016 was 2,189. The difference between the 2,038 and 2,189 (151) resulted from applications being agreed post August 2016. The data

used in this analysis is based on the 2,038 HNPs which were the actual numbers recorded in August 2016.

- 2.2 Table 1 below provides an overview of the HNPs in August and the current status:

Table 1

	High Need Pupils (HNPs) funded August 2016	2,038
	HNPs still funded in August 2017	1,236
	HNPs not being funded August 2017	802
	HNPs re-applications agreed attending the same school	
A	Claims with lower value	439
B	Claims with higher value	415
C	Claims with same value	382
		1,236
D	Transferred to alternative institution (special school/SRP/independent/NMSS/Different mainstream school)	308
E	HNPs where funding has ceased, either no application submitted or re-application not agreed.	494
		802

HNPs re-applications agreed attending the same school

- 2.3 Out of the 2,038 HNPs as at August 2016, 1,236 have had their re-applications agreed. Out of these agreed applications, 439 (35.5%) had a lower value, 415 (33.5%) had a higher value and 382 (30.9%) had the same value after re-application. The overall reduction for those with a lower cost (439) is £1.173m and the additional cost for those with a greater cost (415) was an increase £0.859m, and this generated a net saving of £0.315m (3%).
- 2.4 To see if any trends can be identified for the 1,236 HNPs the data has been analysed by area, year group and need type.

Re-application by Area

- 2.5 Appendix 1 provides details of re-applications by area and district. The increase per application ranges from £1,812 per HNP in East Kent to £2,612 in South Kent. The two largest increases per HNP are Tunbridge Wells (West) £3,045 and Ashford (South) £3,295.
- 2.6 The decrease per application ranges from £2,028 to £3,707. The South area has the highest overall decrease of £3,707, and also has the greatest

decrease per HNP for its three districts, Shepway £3,485, Dover £3,627 and Ashford £3,940.

Re-application by Year Group

- 2.7 Appendix 2 provides details of re-applications by Year group. Overall the increase in cost for primary year groups (R to 6) are greater than the increase in cost in secondary year groups (7 to 12) and the decrease in cost of secondary year groups is generally greater than the decrease in cost for primary year groups.

Re-application by Need Type

- 2.8 Appendix 3 provides details of re-applications by Need Type. It shows that the increase in costs range from £1,101 to £3,209 per HNP. This equates to an average increase of £2,069 (30.9%). It also shows that the decrease in costs range from £1,657 to £3,714 per HNP. This equates to an average decrease of £2,673 (25.8%).

Transferred to Alternative High Need Institutions

- 2.9 Appendix 4 provides details of HNPs that have moved to a different HN provision. Of the 2,038 HNPs as at August 2016, 308 (15.1%) have moved to a different educational institution. The breakdown of the 308 HNPs is as follows:
- Special Schools = 162 (7.9%)
 - Specialist Resource Provision = 45 (2.2%)
 - Independent = 49 (2.4%)
 - Another Mainstream School = 52(2.6%)

HNPs where funding has ceased, either no re-application or re-application declined.

- 2.10 Appendix 5 provides details of HNPs that were in receipt of high needs funding as at August 2016 and have not claimed post March 2017. Of the 2,038 HNPs in receipt of high needs funding in August 2016, 494 (24.2%) are not in receipt of HNF as at August 2017. The 494 pupils are made up of either a) pupils where no re-application has been submitted or b) re-applications have been declined. The total reduction in cost of the 494 pupils is £3.564m.

3. Comments

HNPs re-applications agreed - attending the same school

- 3.1 The LAs expectation is that in the majority of cases, we would normally see a decrease in the cost when applications are re-submitted annually as interventions have a positive impact on a child's learning and attainment.

However the evidence from the analysis above within section 2 does not support this view. It is therefore possible that these reductions may not be realised over 12 months. From the analysis of re-applications there is no material trend towards a decrease or increase in re-application costs at this point in time. To confirm whether costs will reduce overtime, further analysis needs to be carried out over a longer period.

- 3.2 Something that does come out of the analysis it that there appears to be an element of subjectivity around the consistency of either the application from the school or the gate keeping or maybe both. I have used the example below to illustrate this point.

Extract from Appendix 1					
Area	No. of HNPs	Average cost before (£)	Average cost after (£)	Most in cost (£)	Increase or decrease
Canterbury	61	£8,099	£10,161	£2,063	Increase
Canterbury	57	£10,684	£8,457	-£2,227	Decrease
Tonbridge and Malling	31	£5,548	£7,799	£2,251	Increase
Tonbridge and Malling	42	£10,193	£7,537	-£2,656	Decrease

The Canterbury district had 61 re-applications that increased by £2,063 per pupil and also had 57 re-applications that decreased by £2,227 per pupil. It would appear from this analysis that when assessing the level of funding, similar type pupils could receive around £8,000 one year and then £10,000 the following year or vice / versa. On this basis, this supports a move to a specific needs top up system to deliver equity and consistency in funding rates via averaging as it would be a fairer method of allocation across the county. The above examples of Canterbury and Tonbridge and Malling would particularly support this rational.

Cessation of funding

- 3.3 Something that maybe viewed as unexpected is the number of pupils that have not had re-applications agreed, 494 (24.2%) pupils out of 2,038 fell into this category. As this is the first time we have carried out a full analysis over a significant period of time, it is difficult to know if it is unexpected as we have nothing to compare it against. To really understand why 24.2% of the HN pupils had their funding ceased would require a further detailed analysis to understand the reasons why this has happened. Possible reasons for non-re-application could be:

- It is likely that a large proportion of the 54 pupils leaving in year 11 will have moved into Further Education Colleges.
- 81 of the pupils were in year 6 and would have transferred to year 7 in September 2016. 84% of HNPs are in primary schools, therefore the probability of securing HN funding in the secondary schools is far less likely for a number of reasons.
- Due to the rise in the number of HN pupils since April 2016, there has been greater scrutiny applied to gate keeping which may have resulted in a number of re-applications not being agreed.
- Appendix 1 shows that there were 439 re-applications that decreased in value. It is possible that also some of the 494 HNP's that have not had funding agreed through re-application may have had their claims turned down as they did not meet the £6,000 threshold and therefore would support the view that high needs funding for a pupil under certain circumstances will reduce over a period of time.

3.4 It is important to note that the 494 (24.2%) HNP's that have had their funding ceased over the period should be viewed against the number of new applications over the same period. The estimated number of agreed new applications over the period is around a 1,000, a net increase of around 500 HNP's, which is an unsustainable pressure against the high needs funding budget.

4. Recommendations

4.1 Members of the Forum are asked to note the content of this paper and make comments.