

SUBJECT:	High Needs Funding Top Up Review – Mainstream
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SUMMARY OF REPORT:	
To provide an update on the High needs Funding top up review	
FOR:	Update

1. **Background:**

- 1.1 For the vast majority of children with SEN in mainstream schools, their needs can be met within the resources provided routinely through the annual budget share process. The Core School Budget Share for mainstream schools (Local Authority Maintained and Academies) is expected to meet the cost of delivering a curriculum that is appropriately organised to meet the needs of all children on roll along with meeting up to the first £6,000 of additional support costs for pupils with high needs.
- 1.2 When the cost of additional support for any individual pupil exceeds £6,000 additional top-up funding is made available by the Local Authority to put appropriate provision in place. This is called top-up funding and is funded from the High Needs Block of the Dedicated Schools Grant. Allocations for individual children are not limited to children with an Education Health & Care Plan. Local authorities have the flexibility to provide high needs funding outside the statutory assessment process for all children and young people with high needs up to the age of 19.
- 1.3 The High Needs block can also be used by Local Authorities to provide additional funding to schools to help towards the costs of the first £6,000 where schools are defined as having a “high incidence of SEN” (the definition is at the discretion of the Local Authority). This is expected to be provided on an exceptional basis.
- 1.4 Local Authorities can also use the HNB to fund other specialist services & support to provide additional or targeted support for children and young people with special educational needs and disabilities (SEND), as permitted under schedule 2 to the School and Early Years Finance Regulations.
- 1.5 In Kent, top-up funding is currently allocated through a claim process. Schools (normally SENCOs) apply to the KCC SEN department with appropriate evidence of the total provision required for an individual child. If agreed, the

total cost of the provision is calculated based the provision plans provided by the school (normally hours of 1:1 support) and slotted into the Specific Top Up Rates matrix to determine the final rate. In the vast majority of cases funding is agreed. Funding is reviewed annually (with some exceptions), and a new submission is needed for a change of phase of education or change of school. This process applies equally to both children with an EHCP and SEN Support – approximately 40-45% of claims relate to children classed as SEN Support.

1.6 Kent also provides additional funding for schools with “High incidence of SEN” also known as “Notional SEN top up”. This is automatically calculated based on the principle no school or academy will pay more than 10% of its notional SEN budget towards the first £6,000 for an individual pupil or where the total value of £6,000 exceeds 28% of the annual notional SEN budget.

1.5 During 2020-21, the Local Authority allocated more than £29 million ‘top-up’ HNF for SEN provision for an average of 3,415 CYP across mainstream schools in Kent. On current projections, it is estimated that close to £36 million will be spent during 2021-22. In 2020-21, 221 primary schools and 1 secondary received funding towards the first £6,000 of costs.

Year	Av no. pupils funded	Total Top Up (E3) HNF spend	Total Additional HNF (first £6k) spend	Total Mainstream HNF spend	% +/-
2017-18	2,367	£17,831,740	£1,350,106	£19,181,846	
2018-19	2,341	£13,716,162	£3,653,705	£17,369,867	-10%
2019-20	2,853	£18,606,214	£4,486,568	£23,092,782	33%
2020-21	3,415	£24,784,548	£4,698,175	£29,482,723	28%
2021-22	4,035	£31,369,221 (projected)	£4,342,269 (projected)	£35,711,490 (projected)	21% (estimated)

1.6 Since the introduction of the process in 2014 and the review of the process in during 2017, a number of common concerns have been raised in relation to the current system including:

- Inconsistent use of HNF across the schools (possibility of perverse incentives)
- Few secondary schools access HNF – currently 90% of funding goes to primary schools.
- Limited criteria for accessing HNF – almost all claims relates to 1:1 support
- Significant amount of time taken to complete application and then sometimes lengthy wait for decision
- Annual re-application leads to lack of certainty for financial planning/staff retention
- Not automatic for children with an EHCP
- Need to reapply at transition points
- Lack of transparency in decision making and level of funding agreed

- Lack of ability to make group applications
- 1.7 The Written Statement of Action also identified the review of the High Needs funding process as specific action under Workstream B.
- 1.8 The review was established with the following aims:
- To align with wider SEN Strategy and wider offer
 - Develop a HNF system that supports inclusive practices in mainstream schools and complements other services
 - Funding is allocated to support successful outcomes and achievements for children with SEN
 - Increased flexibility for schools to meet needs: greater accountability
 - Effective HNF system which is both transparent and accessible
 - Funding is allocated equitably across all schools dependent on the needs of the child
 - Efficient use of available resources and securing value for money
- 1.9 The review has been limited to the allocation of funding in primary and secondary schools only. Separate systems exist for Post 16 (FE colleges and SPIs) and Early Years and are not the subject of this review. A High Needs Funding Headteachers Subgroup was established before the Summer Holidays and has met four times to discuss options. Learning has been gathered from other Local Authorities to understand the different systems in place.
- 2. Exploring Alternative Models for funding top-up support for individual children (targeted):**
- 2.1 There are two main types of the models for the allocation of individual resources: banding system or claim basis.
- 2.2 **What is a Banding System Approach?**
A children's needs and provision requirements are categorised into one of a series of bands, normally at the time of issue of an EHCP, and reviewed as part of the annual review process. Each band has a pre-determined funding rate and this rate will be automatically paid to the mainstream school supporting the child. In many examples there is an equivalent to a band zero whereby a child's needs and provision is expected to cost less than £6,000 and resources are expected to be funded from within a schools core budget.
- 2.3 Appendix A provides further details of a draft banding system which is being explored for Kent. It provides an example of one need category but in practice there would separately category descriptors for each need type. Testing is currently underway to determine the impact of the system both in terms of children who currently have an EHCP and High Needs top-up up and those that do not.
- 2.4 This system addresses one of the main criticisms of the current process by schools: additional administration. The banding category would be determined by the information held with the ECHP. It would also support

certainty in schools as to the amount of funding expected to support a child. The decision about allocating a funding Band to an EHC plan could be made by a panel (to include representatives from Education, Kent Education Psychology Service, SEN Officers, SEND PEOs and parents) which could increase transparency of decision-making.

- 2.5 However, there are a number of disadvantages. There are significant concerns of linking funding to the requirement for an EHCP. 40% of the funding in the current system supports children with SEN support and this system is expected to further drive up the requests for EHCPs (at least in the short term). This is a significant risk for the Council and could add further pressure on an already overheated system. Work is underway to improve the quality of EHCPs but in the meantime this poses a significant risk to any testing that may be undertaken as it may not reflect the reality of moving to this type of system. The accountability for funding allocated through this system would also need to be considered as there would be no requirement to evidence of costs.
- 2.6 It is also worth noting that based on the October 2021 data, there were 4,728 children with an EHCP in mainstream schools of which 1,675 had a High Needs Top Up Funding claim. This would suggest 3,053 children with an EHCP do not have additional costs greater than £6,000.
- 2.7 Some local authorities only give top up funding to children with an EHCP for others, they have to operate a separate claim system to fund children with SEN support. In some instances this is limited to children currently going through the EHCP assessment process.
- 2.7 **Options to continue with a claim basis**
Variations of our current system are in place across a number of local authorities. One of the key differences relates to the decision-makers. Kent currently has a very centralised decision-making function whereby the SEN department is responsible for agreeing all applications for individual funding. This supports consistency of decision-making but can also be seen by schools as untransparent. In other local authorities, decision-making can be undertaken by a panel i.e. school representative, SEN officer, specialist or in some cases groups of schools have a budget and make decisions more locally.
- 2.8 This type of approach does have its advantages in terms of accountability, and it can be applied equally to both children with ECHPs and those on SEN support. Therefore, in theory would avoid the possible request for EHCPs. Although it should be noted that in Kent this has not been the case. Although it is recognised many referrals for an EHCP come from parents rather than schools. The disadvantages of this approach are outlined at the beginning of this report (section 1.6).

3. **Funding of “high incidence of SEN” in mainstream schools:**

- 3.1 There is an outstanding question as to the future of the top up funding for the first £6,000 of funding for a child where a school is categorised as having a “high incidence of SEN”. It appears only around 50% of local authorities provide this extra funding and various approaches are taken to distribute across schools including number of EHCPs, or size of budget (either total budget or SEN notional budget). Some local authorities also base their criteria around the distribution of a fixed pot of funding to ensure affordability within the overall High Needs Block. In Kent this is currently calculated based on the principle no school or academy will pay more than 10% of its notional SEN budget towards the first £6,000 for an individual pupil or where the total value of £6,000 exceeds 28% of the annual notional SEN budget.
- 3.2 In Kent, the original calculation was based on affordability within the High Needs Block at the time, however since then, the number of children receiving High Needs funding has grown exponentially and no review has been undertaken as to whether the original percent remains valid or whether the current process continues to meet the definition of funding schools with “exceptional” high incidence of SEN. There is also no monitoring of the impact of this funding on schools ability to deliver SEN provision.
- 3.3 The group has agreed to revisit this once there is a clearer direction as to how the overall system will function and the Schools Funding Forum will be asked to consider criteria for future allocation including the overall pot of funding.

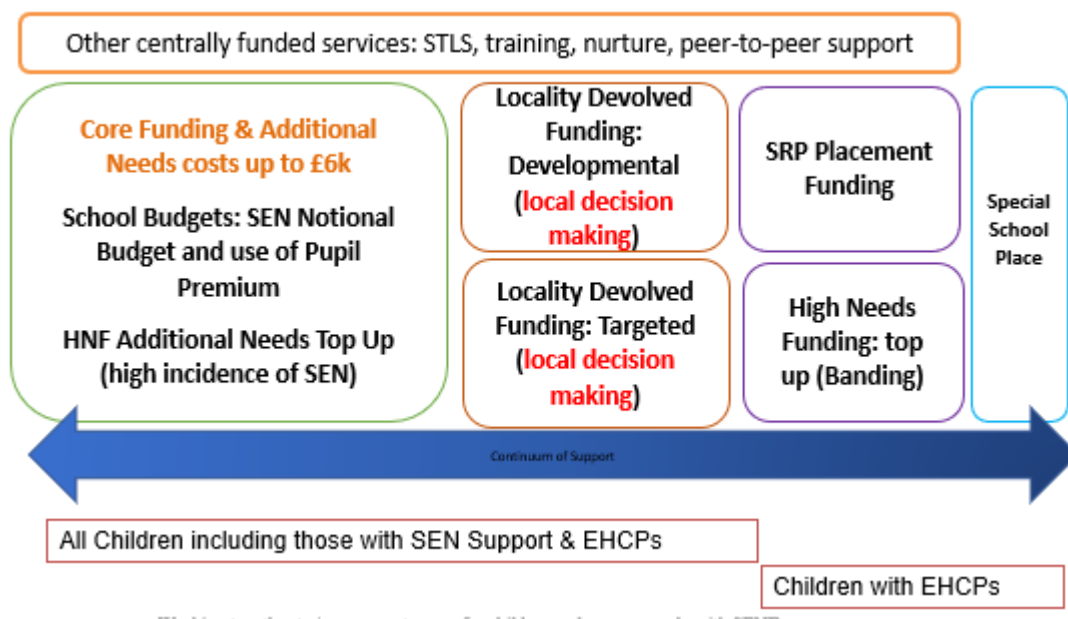
4. **Locality Based Resources:**

- 4.1 Whilst investigating the possibilities of changing the targeted funding model for individual children the use of Locality Based Resources has started to be explored. The concept of Locality Based Resources is mentioned in the Countywide Approaches to Inclusive Education (CAIIE):

We recognise that putting available resources under the control of the schools to work collaboratively to address the needs of the children and young people within their areas is highly effective in achieving improvement in outcomes and better meeting the needs of the child, often with greater efficiency and better value for money. To support this, we will work with schools within their areas to develop locality resources, these could include:

- Local development and training opportunities e.g., train the trainer models,*
- An inclusion fund to respond to locality issues.*
- Support in cases of crisis or unplanned transition which enables response care and support to the children or young person and the school.*
- Pilot development activity.*

- 4.2 To date locality-based resources has been investigated in terms of a possible future mechanism for distributing funding primarily to provide an alternative strategy to support children without an EHCP, in addition to addressing wider trends in their area as set out below. It has currently been explored to run alongside the EHCP banding system:



4.3 This model includes two main types of Locality based funding:

Developmental: Providing support for cohorts of CYP, either within a school or across a number of schools which: a

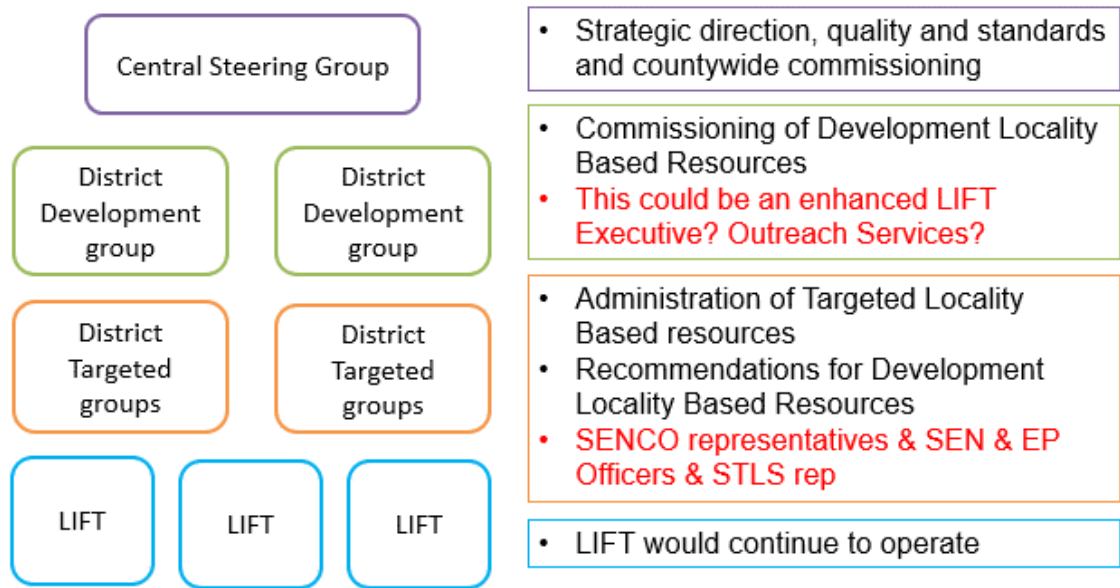
- Develop pre-emptive support to presenting trends and issues, both locally and countywide (e.g., Summer born children, substance abuse, behaviour therapy training)
- Support well managed transition processes, both at key times and mid-year.
- Further improve whole school practices that support inclusion across the locality (e.g., outreach provision, pool of specialist TA's)
- Respond to immediate presenting issues in a timely manner (e.g. integration of large cohort of CYP to area)

Targeted: Providing time limited support for individuals or small groups of CYP, whose costs of support is expected to be greater than £6,000 per child and who are not in receipt of an EHCP, by:

- Providing parachute funding and resource to ensure continuity of support (e.g. awaiting EHCP, new to area)
- To re-integrate into mainstream education.
- To deliver intervention support to a small cohort of pupils
- Schools will need to demonstrate they have utilised ordinarily available resources before applying.

4.4 Under this model the EHCP banding would also operate however, it would be possible to expand the targeted model criteria to incorporate funding for children with an EHCPs.

4.5 If a model of locally based decision-making was to be develop further it is important to align with existing structures. One possible approach would be to align this with the existing LIFT (Local Inclusion Forum Teams) structure



4.6 Some advantages of this kind of model of support include: the stronger decision-making role of schools in agreeing available resources, along with integrating, enhancing and utilising existing structures. It also creates a structure to support the peer-to-peer support model that is currently being implemented across the county.

5. **Next Steps**

5.1 It is clear there are a number of different approaches that could be taken, further exploration of these different models is needed to ensure the future approach aligns with the wider SEN strategy and future deficit recovery plan. It had originally been anticipated to consult on a preferred option in November however this has now been rescheduled to January to allow more time for development and exploration.

6. **Recommendations:**

6.1 The Forum are asked to note the update and share any specific feedback regarding the various models.

Appendix 1: Proposed HNF Banding system to allocate resources to schools admitting CYP with EHC plans

Children and Young People with EHC plans have complex, long standing needs and require ongoing, individualised specialist support and provision to enable them to make progress towards meeting their identified outcomes and across the wider curriculum. Section F of a CYP's EHC plan clearly describes this provision.

Section F may include provision described within the Mainstream Core Standards where information and advice has been provided during the EHC needs assessment specifying and quantifying how the intervention or approach is to be delivered.

In addition, Section F will include provision that is additional and not usually available as part of the school's or the locality's offer: i.e., provision that will be commissioned for the CYP.

There are five proposed funding bands: (amounts to be determined as part of testing and dependent on level and types of ordinarily available resources)

Band
0 (no funding)
1
2
3
4

Using the Band descriptors

The decision about allocating a funding Band to an EHC plan will be made by a panel (to include representatives from Education, Kent Education Psychology Service, SEN Officers, SEND PEOs and parents). The Band allocated will represent the 'best fit' in describing the CYP's SEN and the provision specified in their EHC plan. It is important to note that in general, each band builds upon the descriptors in the previous band.

Exceptional funding

Where a CYP has complex needs that require exceptional provision outside of the Band descriptors 0-4, exceptional funding will be considered by the panel, using an agreed cost framework to calculate the total cost of provision. These CYP will typically have a number of identified needs, with *each need* requiring provision that would fit within *Band 3 or 4*, e.g.:

- delivery of medical or health provision requiring support from two adults (where costs are not met by Health),

- provision for a CYP with Autism and complex developmental needs, where significant periods of individual teacher time or specialist teacher input is required
- a CYP with Multi-sensory needs

Schools supporting a higher-than-average number of CYP with EHC plans

Alongside the proposed banding system, a proposed system to minimise potential financial disadvantage is being developed for consideration.

The Banding descriptors that follow are a first draft, largely based around the Mainstream Core Standards, the Hertfordshire and Bromley Council descriptors. A task and finish group will be established for the further development of the Kent descriptors including setting appropriate funding amounts and testing.

Example of a banding descriptor:

Communication and interaction (ASC / characteristics of ASC/ identified social communication and social understanding difficulties)

Band	Presentation (needs and strengths) Section B	Typical provision (Section F)
0	<p><i>EHC plan may be in place in preparation for transition to next phase or stage of education.</i></p> <p>Has a range difficulties and strengths associated with ASD/C and social communication and interaction needs:</p> <ul style="list-style-type: none"> • Often highly anxious – can negatively impact on attendance, punctuality, and concentration • Confused by school routines and/or social situations • Experiences difficulties with peer interactions, developing and maintaining friendships • Poor progress which may not be associated with a learning need • High level of dependence on adults in school for reassurance and practical support, often not ‘in line’ with age and cognitive abilities. • May struggle with flexibility of thought and changes to 	<p>Provision largely falls within what would be expected to be available through QFT and is set out within the appendices of the EHC plan.</p> <p>Section F is brief, with limited quantified and specified provision described. Section F may contain provision that would typically be included within the appendices to the EHC plan.</p> <ul style="list-style-type: none"> • Individualised day to day planning by the teacher of the curriculum and wider school experience. QFT includes adapted resources and curriculum support in most subject areas. • Regular individual teacher and class TA attention required in the classroom setting; regular prompting, use of task boards and visual support. • Small group work in and outside of the classroom. • Individual support required in specific circumstances. E.g., use of Social Story to develop understanding of a situation,

	<p>routine.</p> <ul style="list-style-type: none"> • Appearing to be in a 'world of their own' 	<p>behaviour, or incident.</p> <ul style="list-style-type: none"> • Additional adult support during unstructured times and transitions
1	<ul style="list-style-type: none"> • Social isolation and vulnerability • Can appear rude or aggressive • Frequently unable to recognise and repair social mistakes • Difficulty with initiating interactions appropriately • Can experience sensory overload leading to withdrawn or other behaviours that can challenge • Significant difficulties with sequencing or multi-step tasks. • Significant difficulties with executive functioning • Refusal/demand avoidant behaviours • Feelings of sadness, loneliness, low self-worth and anxiety • May have well-developed skills to 'mask' difficulties in the school setting. • May have good superficial social skills 	<ul style="list-style-type: none"> • Any provision set out in the Mainstream Core Standards where this is quantified and specified in Section F – can be individual or small group provision. • Individualised or small group work specified is typically less than 5 hours each week. • Adult supervision/safe haven may be needed during unstructured times. • Adult support may be needed to prompt/support to eat or use the toilet. • Explicit advice and guidance on strategies and approaches for the classroom and across the school day within appendices of EHC plan. These recommendations may require significant adaptations to materials and resources and 'pupil centred' training for all staff.
2	<ul style="list-style-type: none"> • Delayed or limited reciprocal communication skills • Significant difficulties with peer interactions, developing and maintaining friendships which regularly results in conflict and distress • Social isolation, preferring to follow own interest, may actively exclude others and resist taking part in any other activity. • Significant sensory difficulties • May exhibit apparent risk-taking behaviours due to social vulnerability • May initiate interactions inappropriately, e.g., shouting out or touching others to get attention. • May struggle to maintain regular school attendance • May experience difficulty eating or using the toilet at school 	<ul style="list-style-type: none"> • Specified individual or small group provision in core subjects: e.g., pre-teaching, precision teaching or to cover curriculum missed through absence. • Specified group or individual social skills development and understanding emotional regulation development/ sensory needs. • Specified group or individual • Individual/small group TA support required for some subjects – more than would be expected of a class TA. • Named key worker often required for transitions
	<ul style="list-style-type: none"> • May experience sensory overload, leading to intense 	

<p>3</p>	<p>feelings of anxiety, being overwhelmed, 'fright, fight, flight' response (may run away, withdraw or distressed behaviours)</p> <ul style="list-style-type: none"> • May <i>appear</i> to be manipulative in an attempt to manage anxiety and the world around them. May challenge authority. • Refusal to attend school. • Significant demand avoidance - finds it difficult to process and predict, leading to challenging, withdrawn or distressed behaviours. • Regularly experiences high levels of distress and anxiety. • Significant difficulties with emotional regulation • Difficulties significantly impact on progress in learning. • Sensory seeking behaviours – e.g., chewing, repetitive 'drumming' or spinning. • Significant difficulty in being able to reflect on impact of self on others. • May have personal and health care issues. • Lacks awareness of personal safety and that of others. • Struggles to understand social interactions and the intentions and motivations of others. • Does not yet have skills to manage conversations and social interactions required to develop meaningful relationships. • When distressed, may present with violent and aggressive behaviours. • ASC may impact on learning and progress e.g., may experience difficulties with reading comprehension (difficulties with vocabulary and inference) or difficulty demonstrating level of knowledge in line with assessment criteria leading to scores not in line with ability. 	<ul style="list-style-type: none"> • Some small group provision for development of social skills • Frequent specified individual work to support social understanding • Frequent specified individual work to develop emotional regulation skills • Specified time for explicit teaching of social rules, the reasons for the rules and benefits of their use. • Individual support/sessions – sensory regulation • Small group or individual provision sessions led by a teacher. • Ongoing specialist teacher and/or EP monitoring and support • May require SALT and OT direct work • Individual and small group TA support required for some subjects • Named key worker often required for transitions
	<ul style="list-style-type: none"> • Weak skills for independence, social communication skills and confusion result in daily, persistently high levels of anxiety and distress. • May experience significant mental health difficulties requiring constant monitoring and supervision to reduce distress and risk • Can exhibit apparently unpredictable and sudden outbursts 	<ul style="list-style-type: none"> • Specified teacher time for delivery of aspects of bespoke curriculum • Some small group provision for development of social skills • Frequent specified individual work to support social understanding • Frequent specified individual work to develop emotional regulation skills

4	<p>of distressed or challenging behaviour that can present a risk to self and others.</p> <ul style="list-style-type: none"> • Limited ability to recognise personal, social and environmental risks. • May have complex needs e.g., may have significant learning needs in addition to ASC/ communication and interaction needs. 	<ul style="list-style-type: none"> • Individual support/sessions – sensory regulation • Small group or individual provision sessions led by a teacher. • Ongoing specialist teacher and/or EP monitoring and support • May require SALT and OT direct work • Individual TA support required across the school day • Specified outreach support from a special school or SRP
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