

Brighton & Hove City Council

For general release

Meeting: Children, Families & Schools Sub-Committee

Date: Monday 26 January 2004

Report of: Director of Children, Families & Schools

Subject: Special Educational Needs Funding Review

Ward affected: All

1. Purpose of the report

- 1.1 The purpose of the report is to advise members of the review of funding formula for Special Educational Needs (SEN) in mainstream schools and recommend changes to the funding formula for schools as a result.

2. Recommendations

- 2.1 That the reasons for undertaking the review of the funding formula for SEN in mainstream schools and the process by which this review was undertaken be noted.
- 2.2 That the views of the Schools Forum on the principles of the proposed changes to the funding formula arising from the review and on the timing of the implementation of the changes be noted.
- 2.3 That the implementation of the proposed changes to the funding formula for 2004/05 be agreed.

3. Information/background

- 3.1 Following the last OFSTED inspection of the LEA, schools commented that they felt the methodology for delegation of SEN resources in mainstream schools should be subject to review. Although some changes have been made to the formula since then this has remained as an area of concern raised by schools in meetings with the LEA. A review of SEN by the Audit Commission also raised concerns about the complexity of the existing

formula and about whether the existing formula adequately targets resources on pupils with SEN. The total funding in the formula for SEN is £6.438m in 2003/04.

- 3.2 The Schools Forum agreed to a review of the SEN formula on 8th September 2003 and agreed the process by which this would be undertaken. The stated aim of the review of SEN funding in mainstream schools was to:
- simplify the way in which SEN funding is distributed via the formula and seek to address any contradictions and anomalies;
 - gather data in order to test a variety of potential proxy indicators, by researching best practice from other authorities, and by mapping data acquired against actual need in individual schools;
 - investigate the ways that individual schools use their SEN resources; and
 - consult closely with schools to test their responses to alternative proposals.
- 3.3 Based upon evidence from the council's own research and also national research and from the SEN funding models used by other authorities the LEA concluded that the model for SEN should contain the following elements:
- a proxy indicator for social deprivation;
 - a proxy indicator for attainment;
 - funding for English as an additional language (EAL);
 - pupil-led funding for those who are on the Child Protection Register and/or who are in Local Authority Care (Looked-After Children); and
 - Pupil-led funding for pupils with High-Cost/Low-Incidence SEN.
- 3.4 Correlation analysis was undertaken to determine the most appropriate proxy indicators to use for the elements of the formula for social deprivation and attainment. A weighted SEN calculation was devised to estimate the level of SEN support required by pupils in each of the three categories of need that would be funded through this formula. This was based on advice from the LEA's SEN advisors. The correlation analysis then determined the match between the potential proxy indicators and the weighted SEN calculation. A perfect correlation is 1.0 and the closer the figure to this, the stronger the correlation and therefore the better match between need and funding by this proxy.
- 3.5 This correlation analysis led the LEA to conclude that numbers of pupils eligible for Free School Meals was the best proxy indicator of social deprivation and should be used in the funding formula. This results in no change from the current model.

- 3.6 The correlation analysis also led the LEA to conclude that BAHLAS (Brighton And Hove Literacy and Spelling) results was the best proxy indicator of attainment in Primary Schools and should be used in the funding formula. The current model uses Key Stage 2 SAT results and BAHLAS, therefore using BAHLAS only will result in a change from the current model. If in future years changes were to be made to the use of BAHLAS in primary schools then an alternative proxy indicator for attainment would need to be identified. However this is currently the best available proxy indicator of attainment.
- 3.7 The correlation analysis also led the LEA to conclude that Entry-Level KS2 SATs results was the best proxy indicator of attainment in Secondary Schools and should be used in the funding formula. Furthermore the LEA concluded that the funding should be determined on the basis of performance relative to the Government targets. This results in a change from the current model which uses KS3 SATs results on the basis of performance relative to the LEA average.
- 3.8 The current model also contains an element for pupils with statements. This is distributed using the same proxy indicators above – Free School Meals, and SATs and has an element relating to numbers on roll. This adds duplication to the formula and so unnecessarily complicates it and therefore this element is deleted in the LEA's proposals. Furthermore the SATs element rewards high rather than low performance which does not correlate with SEN.
- 3.9 No changes are proposed by the LEA to funding for EAL which is delegated outside of the main formula for SEN.
- 3.10 The LEA concluded that all schools should receive an element of funding based on the actual number of pupils on roll who are either on the Child Protection Register or in Local Authority Care. Currently primary schools only receive funding for pupils on the Child Protection Register. Secondary schools receive no funding.
- 3.11 All of the above proposals are supported by the results of the consultation exercise with schools. Questionnaire responses were received from 45 schools and 16 schools were represented at two workshops organised by the LEA. Therefore the model recommended to this committee is based on these proposals.
- 3.12 The LEA concluded that Pupil-Led funding for pupils with High-Cost/Low-Incidence SEN should be based on the matrix for funding special schools in order to promote inclusion. However the questionnaire responses were

uncertain about this proposal and further concerns were raised by the Schools Forum. Therefore the model recommended to this committee proposes no change to the current funding formula which includes a separate funding mechanism for these pupils in Special Units and a separate funding mechanism for these pupils in mainstream schools using individual INA/INT assessments. This will be revisited in 2004 for further consideration for 2005/06.

- 3.13 Consideration was given to whether the overall targeted funding for SEN should be increased. This could be achieved by removing the 5% notional allocation in the AWPU for SEN and targeting it through the revised SEN formula. Consideration was also given to whether the relative level of funding for SEN for primary and secondary schools should be changed. Given the turbulence in the overall funding for schools and the desire to retain stability by the government these options were ruled out.
- 3.14 The table below sets out the current funding model, the LEAs original proposals and the LEAs revised proposals which is the model recommended to this committee.

Funding element	Current Model	Original LEA proposals	Revised LEA recommendations	Comments
General pupil funding	Notional 5% allocation from AWPU	Notional 5% allocation from AWPU	Notional 5% allocation from AWPU	No change
Proxy Indicator for social deprivation	Free School Meals	Free School Meals	Free School Meals	No change
Proxy Indicator for attainment – Primary	KS2 SATS & BAHLAS	BAHLAS	BAHLAS	To use BAHLAS only
Proxy Indicator for attainment – Secondary	SATS KS3 results compared to LEA average	SATS KS2 results compared to government target	SATS KS2 results compared to government target	Recommended change to entry level SATS results with national rather than local benchmark
Additional Proxy indicator for statements	Number on Roll, Free School Meals, SATs	Deleted	Deleted	The current funding for this element is redistributed through the other elements in the new model.
English as an Additional Language	Separate formula delegation	Separate formula delegation	Separate formula delegation	No change
Pupil Led Funding for CPR/LAC	Pupils on Child Protection Register in Primary only	Pupils on Child Protection Register and Looked After Children in Primary & Secondary	Pupils on Child Protection Register and Looked After Children in Primary & Secondary	Recommended change to fund both primary and secondary schools for both CPR and LAC
Pupil-led funding for High-Cost/Low	Allocation to Special Units	Link to Special School Matrix	Allocation to Special Units	No change but further review in 2004

Incidence	INA/INT element	Link to Special School Matrix	INA/INT element	No change but further review in 2004
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3.15 The revised formula recommended by the LEA has a very high correlation with the weighted SEN calculation (0.93) and therefore should ensure that SEN funding is targeted towards need.

3.16 On this basis the LEA has concluded that this model should be implemented to ensure that funding is better targeted to meet SEN.

4. Further information

4.1 There are 4 secondary schools who receive less funding as a result of this revised formula, 3 that stay virtually the same and 4 that gain. For Primary Schools the changes are slightly more volatile. However the two schools that gain the most will lose as a result of the change in class based funding so their funding in 2004/05 would be similar to 2003/04,

4.2 The detailed calculations of the impact on each school are shown in Appendix 1.

4.3 The impact of the changes are dampened by the minimum per pupil guaranteed funding increases to each school as a result of changes to the government's requirements for schools funding.

5. Consultation

5.1 Copies of the questionnaire sent to schools are attached at Appendix 1.

5.2 A summary of the responses is attached at Appendix 2.

5.3 Two workshops were held to ensure that schools understood the questionnaire and the principles behind it.

5.4 The Schools Forum agreed the principles of the review and the questionnaire before it was issued which had also been reviewed in detail by a member of the SEN Task Group.

5.5 As a result of the findings from the questionnaire and concerns raised by the Schools Forum, the LEA's original proposals for changes to the formula were revised.

5.6 The revised recommendations were reviewed by the Schools Forum. Strong concerns were raised by some members that they felt unable to understand the proposals and therefore that they should not be accepted. Strong concerns were also raised by some members that this should not be implemented at a time of turbulence in the funding of schools.

5.7 However there were other members of the Forum who felt that the principles of the proposals were right and had been adequately revised and explained to meet their earlier concerns and that the model should be implemented straight away.

5.8 The members of the Forum voted (in blocks) as follows on the recommendation that principles of the revised formula be accepted:

- Yes 3 No 1
- Primary Heads Yes
- Secondary Governors Yes
- Church Yes
- Secondary Heads No
- Primary Governors Split vote
- Special Heads Abstain
- Union Abstain

5.9 The members of the Forum voted (in blocks) as follows on the recommendation that the timing of the implementation of the revised formula be for 2004/05:

- Yes 1 No 3
- Secondary Governors Yes
- Primary Heads No
- Secondary Heads No
- Church No
- Primary Governors Split vote
- Special Heads Abstain
- Union Abstain

5.10 The Schools Forum is an advisory rather than a decision making body.

COMMITTEE REPORT APPENDIX



Meeting/Date	Children, Families & Schools Sub-Committee
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Financial implications

Included within the body of the report.

Finance Officer consulted: Andy Moore 17/12/03

Legal implications

The proposals in this report comply with legal requirements under the School Standards and Framework Act 1998, as amended, and relevant regulations. Human Rights implications, including the right to education and the prohibition on ground of disability, have been taken into account in the preparation of this report. The recommendations are consistent with the requirements of the Human Rights Act 1998.

Legal officer consulted: Abraham Ghebre-Ghiorgis 17/12/03

<h3>Corporate/Citywide implications</h3> <p>The funding formula now includes an element for both primary and secondary schools for pupils on the Child Protection Register and Looked After Children. This supports the council's strategies for these children.</p>	<h3>Risk assessment</h3> <p>There were differing views from the Schools Forum on the merits of the funding changes and the timing of their implementation. It is the LEA's view that this uncertainty is outweighed by benefits of introducing this revised formula to reduce complexity and better target need.</p>
<h3>Sustainability implications</h3> <p>None identified</p>	<h3>Equalities implications</h3> <p>The formula for Special Educational Needs funding should ensure that funding is targeted on need.</p>
<h3>Implications for the prevention of crime and disorder</h3> <p>None specifically identified..</p>	

Background papers [Part 1 reports only]

1. Detailed financial working papers, research documents and consultation returns from schools are held in the Financial Services Team for Children, Families & Schools.

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COMMITTEE REPORT APPENDIX

