

**Consultation on school and post 16
Top up Funding (TUF) arrangements
for the 2019 -20 financial year**

**Proposals of North Somerset Council
and the Strategic Schools
Forum (SSF)**

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Foreword

Thank you for reading this consultation document.

Amongst other things, the consultation asks you to express a view as to how we can fairly reduce expenditure on Top-up Funding to schools for children with Special Educational Needs or Disabilities (SEND) in order to keep spend within our funding envelope.

In common with most parts of the country, there is significant pressure on spending in the high needs block of the schools' grant, especially in relation to top-up funding.

We are, of course, all acutely aware of our duty to continue to provide good services to all children across North Somerset, but, on this occasion, I would encourage you to think particularly about our most vulnerable children, with special educational needs and disabilities who are particularly protected under the Equality Act and the Children and Families Act.

A handwritten signature in blue ink that reads "Sheila Smith".

Director of People and Communities at North Somerset Council

1. Introduction

About this consultation

- 1.1. This consultation covers changes to Top up Funding (TUF) arrangements following recommendations made as part of an independent review of existing arrangements and the pressures on the high needs block.
- 1.2. The current top-up funding system in North Somerset has been in place since 2013 when the new Special Educational Needs and Disability (SEND) national funding framework came into place. It replaced a previous Special Educational Needs (SEN) Audit system.
- 1.3. It was developed in consultation between the local authority and schools through a working group. The model is based on calculating a 'universal band value' for pupils with various types of need whether they attend mainstream or specialist provision.
- 1.4. The current universal band value is calculated on the basis of expected staffing costs required to meet different types and levels of need. The universal band value is then adjusted by subtracting the expected contribution from the delegated budget share to arrive at the actual top-up funding value. For mainstream schools, the expected contribution from the delegated budget is £6,000 (Element 1 and Element 2). For special schools, the expected contribution is £10,000 (Element 2 only).
- 1.5. The proposals in this consultation could have significant impacts on the distribution of resources in North Somerset. All stakeholders are recommended to read the consultation, and book into one of a series of briefing sessions which will be held in December and January.
- 1.6. If you have any questions about anything contained in this document then please send them via email to sen.team@n-somerset.gov.uk

2. Methodology

- 2.1. The Strategic Schools' Forum (SSF) commissioned an independent review by RBMM Education, to carry out a review of the Top Up Funding.
- 2.2. The review was completed in collaboration with relevant local authority staff and representatives from schools, parent groups and other educational settings. It involved the following activities:
 - review of relevant documentation and processes
 - analysis of data including financial data and benchmarking data from statistical neighbour authorities
 - meetings with key personnel from the local authority and schools/settings.
 - meeting with parent representative.
- 2.3. The review was undertaken in the period from May 2018 to September 2018. The final report is at Appendix 1.

- 2.4. SSF considered and agreed to all the proposals in the final report when it was presented to them at their meeting on 24th October 2018.
- 2.5. The Formula Review Working Group (FRWG) is the body that the Council consults in relation to the way in which schools are funded. Its membership was increased to include representatives from the Education Inclusion Service's SEN Team; representatives from special schools (including head teachers and business managers); health professionals and parental representatives so that prior to general consultation they could consider the proposals in the review and determine the nature/ and refine the content of the consultation.
- 2.6. The FRWG have met twice in early November to discuss the implications of each issue using the options presented by the officers and made recommendations to be included within this consultation document.
- 2.7. The consultation will be live from Thursday 29th November 2018 to Thursday 10th January 2019.
- 2.8. There will be a number of Consultation Surgeries, when members of the SEN Team will be available to answer questions associated with the Consultation, these are detailed in section 7.
- 2.9. It should be noted that the proposed recommendations are for the academic year 2019-20 and that further considerations will need to be made for 2020/21 and beyond due to expected continued pressures on the budget.
- 2.10. The SSF would like to encourage all stakeholders to respond to the consultation to ensure that their views are taken into consideration as part of the decision-making process.

3. Executive Summary

3.1. A summary of all the recommendations from the SSF is provided in the table below.

It is recommended:

Section	Description	Recommendation
4	Process Changes	Recommendation no.4a – Agree a small group of representatives to form the moderation panel who will be trained by experienced school staff
		Recommendation no 4b - Agree that moderation will occur four times a year in; October, January, April and June.
		Recommendation no 4c - Agree that all TUF allocations except in clearly defined exceptional circumstances are made in either October, January, April and June
		Recommendation no 4d - Agree that annual training needs to be enhanced and provided
		Recommendation no 4e – Agree that a post is created to monitor the use of TUF and that this will be funded from the TUF budget.
		Recommendation no 4f – Agree to amend the appeals panel ability to look at the entire criteria when looking at appeals, not just those points highlighted in the original moderation process.
5	Top up Funding Criteria	Recommendation no.5a – Approve that the criteria should be needs related with no requirement for a diagnosis or specific training requirements for staff
		Recommendation no 5b – Approve that all TUF applications should show evidence of PDR cycle and that external professional advice has been sought and acted upon
		Recommendation no 5c – Approve that guidance should be given on the possible menu of interventions which may be funded through TUF.
		Recommendation no 5d -Approve that the criteria for entry onto TUF should be reworded to ensure greater clarity and robustness and a recognition of needs.
		Recommendation no 5e – Approve the new criteria as presented in Appendix 3
		Recommendation no 5f – Approve that for those young people with a TUF awarding already in place that will enter either year 2 or year 3 of an award then the criteria used will be honoured but the band tariff will change from September 2019 to match the new tariffs.
		Recommendation no 5g – Approve that all those entering year two of a three-year award from September 2019 will be subject to moderation in spring 2020 and will not enter year three automatically as highlighted in the text above.
6	Top Up Funding Band Tariffs	Recommendation no 6a - that special schools and alternative provision settings receive TUF in the

		form of a fixed amount per place for 2019/20.
		Recommendation no 6b – that the Special Schools and the VLC receive TUF per place in accordance with the table in paragraph 6.5
		Recommendation no 6c – that the band values proposed for implementation and detailed in Appendix 4, which are aligned with available resources, are implemented with effect from 1 September 2019
		Recommendation no 6d – approve a reduction of £30k in the allocation to Weston College.

4. Process Changes

Currently:

- 4.1. Currently applications for support are made and considered at a moderation meeting which occurs twice a year.
- 4.2. All schools are represented at the moderation meetings. Local Authority (LA) and school staff make decisions based on the evidence presented about whether there is a case for top-up funding and at what level.
- 4.3. A quality assurance process is completed by LA officers on a sample of cases to check the accuracy of the moderation process.
- 4.4. There is also an appeal panel which sits annually to consider cases where schools feel that the evidence submitted has been misinterpreted
- 4.5. In May 2018, 1,091 children and young people in North Somerset were in receipt of top-up funding. The breakdown of cases by category of need is shown below:

Category of need	Numbers of TUF cases
Cognition & Learning	211
Communication/Autism Spectrum Disorder (ASD)	391
Social, Emotional and Mental Health (SEMH)	305
Sensory	39
Physical/Medical	108
Other	37

Proposals:

- 4.6. That Top Up Funding decisions on applications for children and young people of school age continue to be made by a moderation panel of experienced school representatives and relevant LA officers that have a thorough knowledge of TUF criteria and processes.
- 4.7. The group will have a consistent common core of membership and meet 4 times a year – to replace the twice-yearly large moderation meetings.
- 4.8. Annual training needs to be provided for schools to ensure consistency and a clear understanding by all, so that all staff are able to make robust and informed referrals.
- 4.9. All TUF allocations should be made through the moderation process as agreed, except in clearly defined exceptional circumstances. The only exception to this should be movers in to the LA where the individual had funding in place or where there has been a Tribunal or an Educational Health Care Plan (EHCP) issued. These would then be subject to the moderation process at the next moderation panel.

4.10. That a new post is created to monitor the use of TUF. This will ensure that schools evidence that any allocated funding is being used to best effect. It will also help to identify whether there have been any changes to the level of need and whether funding needs to continue at the allocated level.

4.11. That the appeals panel has the ability to look at the entire criteria when considering appeals, not just those points highlighted in the original moderation process.

4.12. It is recommended:

- Recommendation no.4a – Agree a small group of representatives to form the moderation panel who will be trained by experienced school staff.
- Recommendation no 4b - Agree that moderation will occur four times a year in; October, January, April and June.
- Recommendation no 4c - Agree that all TUF allocations except in clearly defined exceptional circumstances are made in either October, January, April and June.
- Recommendation no 4d - Agree that annual training needs to be enhanced and provided.
- Recommendation no 4e – Agree that a post is created to monitor the use of TUF and that this will be funded from the TUF budget.
- Recommendation no 4f – Agree to amend the appeals panel ability to look at the entire criteria when looking at appeals, not just those points highlighted in the original moderation process.

5. Top up Funding Criteria

Currently:

5.1. The actual amounts of top-up funding are currently determined through a banding system based on a set of descriptors of pupil needs. In North Somerset, there are five categories of need with each category broken down into levels of need

- Category A: Cognition & Learning has 4 levels with top-ups ranging from £7,520 to £41,695 (mainstream) or £3,250 to £37,965 (special)
- Category B: Communication/ASD has 4 levels with top-ups ranging from £6,405 to £41,695 (mainstream) or £2,405 to £37,965 (special)
- Category C: Social, Emotional & Behavioural has 4 levels with top-ups ranging from £6,405 to £26,678 (mainstream) or £2,405 to £22,678 (special)
- Category D: Sensory has 4 levels for Vision and 4 levels for Hearing with top-ups both ranging from £2,601 to £21,055 (mainstream) or £0 to £17,055 (special)
- Category E: Physical/Medical has 3 levels of need with top-ups ranging from £9,159 to £30,860 (mainstream) or £5,159 to £26,860 (special)

5.2 The full breakdown is shown below:

North Somerset Schools TUF Universal Bands 2018/2019

Category	Level	Schools Universal band value	Mainstream Schools	Special Schools
A - Cognition and Learning	A1	£13,520	£7,520	£3,520
	A2	£16,620	£10,620	£6,620
	A3	£27,055	£21,055	£17,055
	A4	£47,695	£41,695	£37,695
B - Communication - ASD	B1	£12,405	£6,405	£2,405
	B2	£16,620	£10,620	£6,620
	B3	£27,055	£21,055	£17,055
	B4	£47,695	£41,695	£37,695
C - Social, Emotional and Behaviour	C1	£12,405	£6,405	£2,405
	C2	£16,620	£10,620	£6,620
	C3	£26,055	£20,055	£16,055
	C4	£32,678	£26,678	£22,678
D - Sensory V=Vision, H=Hearing	DV1	£8,601	£2,601	£0
	DH1	£8,601	£2,601	£0
	DV2	£8,601	£2,601	£0
	DH2	£8,601	£2,601	£0
	DV3	£17,617	£11,617	£7,617
	DH3	£14,870	£8,870	£4,870
	DV4	£27,055	£21,055	£17,055
	DH4	£27,055	£21,055	£17,055
E - Physical / Medical	E1	£15,159	£9,159	£5,159
	E2	£18,887	£12,887	£8,887
	E3	£36,860	£30,860	£26,860

5.3 Schools apply for top-up funding for pupils who may meet the criteria. Schools provide details of the pupil's needs, including a costed provision map. The detail includes the support which has been put into place and the intended spend should the application for top-up funding be successful.

Proposals:

- 5.4. The criteria should be needs-related with no requirement for a diagnosis or specific training requirements for staff.
- 5.5. All TUF applications should show evidence of a plan/do/review cycle and that external professional advice has been sought and acted upon.
- 5.6. The evidence provided in support of a TUF application should include plans for the use of allocated top-up funding in addition to Element 2 funding.
- 5.7. Guidance should be given on the possible menu of interventions which may be funded through TUF.
- 5.8. The criteria in Category C (behaviour) need to be amended to more fully reflect social and emotional needs as well as behaviour difficulties. There needs to be a recognition of the trauma and abuse experienced by some children and young people and how this impacts upon their behaviour and emotional responses
- 5.9. The criteria for entry into the TUF system at Level 1 (particularly cognition and learning, communication/ASD and behaviour) should be re-worked to ensure greater clarity and robustness.
- 5.10. The current funding system, based on categories and levels of need, has over 20 funding bands in total and there are significant 'jumps' in funding between levels of need.
- 5.11. The aim is to have a simplified system, developed in consultation with schools and that more graduated arrangements are put in place to ensure that the gap between funding levels is reduced. It is suggested that a system with between 6 and 8 funding bands is developed. Each funding band would reflect all categories of need (i.e. pupils receiving funding at each band may have a variety of needs but will receive the same top up funding allocation). Development of this model will require further work throughout 2019-20 with further consultation and financial modelling, so that careful consideration of its application to both the special and mainstream sectors can occur.
- 5.12. The criteria were reviewed by the Assistant SEND Manager with their proposed changes subjected to further discussion and review and amendments within the FRWG meeting in November. The changes make the criteria more robust for the 2019 moderation, but will be subject to further review in advance of moderation in 2020.
- 5.13. For those young people with a TUF awarding already in place that will enter either year 2 or year 3 of an award then the criteria used will be honoured but the band tariff will change from September 2019 to match the new tariffs.
- 5.14. All those entering year two of a three year award from September 2019 will be subject to moderation in spring 2020 and will not enter year three automatically as highlighted in the table below:

Moderation date	Year one	Year Two	Year Three
One year award	September 2018-August 2019	N/A	N/A
Two Year award	September 2018-August 2019	September 2019-August 2020	N/A
Three year award	September 2018-August 2019	September 2019-August 2020	September 2020-August 2021*these young people will be moderated in Spring 2020 and will not enter year three automatically.

5.15. It is recommended:

- Recommendation no.5a – Approve that the criteria should be needs related with no requirement for a diagnosis or specific training requirements for staff.
- Recommendation no 5b – Approve that all TUF applications should show evidence of PDR cycle and that external professional advice has been sought and acted upon.
- Recommendation no 5c – Approve that guidance should be given on the possible menu of interventions which may be funded through TUF.
- Recommendation no 5d -Approve that the criteria for entry onto TUF should be reworded to ensure greater clarity and robustness and a recognition of needs.
- Recommendation no 5e – Approve the new criteria as presented in Appendix 3
- Recommendation no 5f – Approve that for those young people with a TUF awarding already in place that will enter either year 2 or year 3 of an award then the criteria used will be honoured but the band tariff will change from September 2019 to match the new tariffs.
- Recommendation no 5g – Approve that all those entering year two of a three-year award from September 2019 will be subject to moderation in spring 2020 and will not enter year three automatically as highlighted in the text above.

6. Top up Funding Band Tariffs

Currently:

- 6.1. In common with many others, the Council is continuing to experience significant pressures in the “High Needs Block” of the Dedicated Schools Grant (DSG) – this largely comprises place funding for special schools and pupil referral units, top-up funding (TUF) to schools for children with SEND and out of authority placements; the largest component is TUF.
- 6.2. In order to mitigate this, the Council and the Schools Forum is recommending transferring 2.03% of the schools budget to the High Needs Block in order to protect funding to those most in need, although it should be noted that this transfer is subject to approval by the Secretary of State.
- 6.3. This means that a budget of £7.104m will be set aside for TUF for mainstream and special schools, resource bases and alternative provision, which is a similar amount to the 2018/19 amount of £7.079m, but represents a reduction (6%) when compared with the 2018/19 estimated outturn figure of £7.548m. In recognition of this, and the continuing increases in demand recognised by the TUF Review, significant changes are required to the banding value, in addition to the criteria changes described in section 5 above.
- 6.4. Recognising the fact that special schools and alternative provision settings look after our most complex young people, and that top-up funding makes up a significant proportion of their budgets, what is being suggested, to minimise the impact on these schools, is to guarantee a level of top-up funding by applying a simple per pupil formula, much like their place funding element. Pupils would continue to be moderated in accordance with the new criteria, but the funding allocation would be made in a block at the beginning of each year to provide funding certainty. The intention is to protect these schools by putting forward a fixed amount of top-up funding per place that is broadly reflective of current spend. Alongside this, mainstream schools would continue to receive top-up funding on an individual per pupil basis in accordance with a new strengthened matrix, but with significantly reduced values.
- 6.5. **Special Schools and Alternative Provision (AP)** - as mentioned above, there is a need to protect special schools. However, in general terms, the schools community has no choice but to put in place measures to reverse the current trend of increasing spend on top-up funding, and this approach has been agreed by the SSF. Applying this principle of a fixed funding methodology leads to the following recommendation in relation to the fixed TUF elements of funding for Special Schools and AP, and would represent an increase in funding compared with the 2018/19 estimated outturn of c. 3%.

Proposed TUF Place Funding for Special Schools and Alternative Provision

	2018/19 est.		2019/20 proposed
<u>Baytree</u>			
Funding	£976,083	Funding	£1,065,600
Average pupil Nos	66.03	Current funded places	72.00
Average funding per pupil	£14,784	Funding per place	£14,800
<u>Ravenswood</u>			
Funding	£907,495	Funding	£907,200
Average pupil Nos	108.25	Current funded places	108.00
Average funding per pupil	£8,383	Funding per place	£8,400
<u>Westhaven</u>			
Funding	£817,132	Funding	£786,000
Average pupil Nos	124.92	Current funded places	120.00
Average funding per pupil	£6,541	Funding per place	£6,550
<u>Sub-Total Special Schools</u>			
Funding	£2,700,709	Funding	£2,758,800
Average pupil Nos	299.20	Current funded places	300.00
Average funding per pupil	£9,027	Funding per place	£9,196
<u>VLC</u>			
Funding	£645,547	Funding	£640,000
Average pupil Nos	65.67	Current funded places	80.00
Average funding per pupil	£9,831	Funding per place	£8,000
<u>TOTAL incl. VLC</u>			
Funding	£3,346,256	Funding	£3,398,800
Average pupil Nos	364.86	Current funded places	380.00
Average funding per pupil	£9,171	Funding per place	£8,944

6.6. **Mainstream Schools** - allocations of TUF to Special Schools and AP as above would leave c. £3.334m to allocate to mainstream schools for TUF. This represents a £615k (15.6%) reduction from the current projected spend for 2018/19.

6.7. Modelling has been undertaken, which, having regard to the proposed new criteria, the proposed implementation date, and the available budget, would require a change in the TUF values as shown in Appendix 4.

6.8. In order to allow schools to plan for any reductions, the new rates would apply to all cases, but would only apply from 1 September 2019. The new criteria would apply to those cases that were moderated in the Spring of 2019 or thereafter.

- 6.9. The revised banding system is based on agreeing the base allocation at level 1 and then applying the same percentage increase from the level 1 values to other levels as was in the original matrix that followed the fundamental review in 2013.
- 6.10. Exemplifications as to the estimated impact on individual schools are included at Appendix 5.
- 6.11. Suggested changes to the matrix are welcomed, provided that they can be afforded within the funding envelope.
- 6.12. Other options have been considered as part of the 2019/20 budget setting process, in terms of the amount of funding that could be transferred from the schools' block to the high needs block to fund elements such as TUF. The overall impact of these options is shown in the table below. Option 3 was chosen by the SSF on the basis that it represented an appropriate balance between funding for schools and funding for high needs.

	2018/19 budget	2018/19 est outturn	2019/20 budget Option 1 2.40%	2019/20 budget Option 2 1.47%	2019/20 budget Option 3 2.03%	2019/20 budget Control 0.97%
% transfer to High Needs *						
Special Schools		£2,654,777	£2,758,800	£2,758,800	£2,758,800	£2,758,800
VLC		£645,547	£640,000	£640,000	£640,000	£640,000
Mainstream Schools		£3,948,736	£3,763,255	£2,739,792	£3,333,932	£2,184,490
Contingency		£254,167	£308,060	£336,299	£347,675	£354,124
Resource Bases		£44,963	£25,818	£21,177	£23,321	£19,803
TOTAL	£7,079,455	£7,548,190	£7,495,933	£6,496,068	£7,103,728	£5,957,217

* % of the schools budget block to be transferred to the High Needs Block to contribute to TUF (as well as place funding and out of authority placements, etc.)

- 6.13. In addition, it was considered whether the changes to banding values could be phased in over a period of time (i.e. only applied to newly moderated cases), but this was rejected on the grounds that the new values would have to be more significantly reduced, and because of the inequality between new and existing cases.
- 6.14. **Further Education** in common with other areas the TUF expenditure in this area is projected to overspend. In line with the principle of keeping spend within budget, it is proposed to reduce the allocation to Weston College by £30k, which represents a 1% reduction.
- 6.15. It is recommended:

- Recommendation no 6a – approve that special schools and alternative provision settings receive TUF in the form of a fixed amount per place for 2019/20.

- Recommendation no 6b – approve that the Special Schools and the VLC receive TUF per place in accordance with the table in paragraph 6.5
- Recommendation no 6c – approve that the band values proposed for implementation and detailed in Appendix 4, which are aligned with available resources, are implemented with effect from 1 September 2019
- Recommendation no 6d – approve a reduction of £30k in the allocation to Weston College.

7. Next steps

Background

7.1. This section sets out the key next steps towards implementation of the proposals in this document from April 2019. The timetable for the implementation is provided in the table below:

Timetable for implementation	
29 th November 2018 to 10 th January 2019	Consultation period
29 th November 2018 to 10 th January 2019	A number of schools arranging opportunities for children and young people’s responses
W/C 26 November 2018	Alerting Primary Heads group of forthcoming consultation and its content
W/C 3 rd December 2018	Noticeboard article containing link to consultation published
4 th December 2018	Out Of School Panel (secondary)...dialogue with representatives from North Somerset secondary schools
10 th December 2018	Consultation Surgery 11:00-Noon at Castlewood
11 th December 2018	Out Of School Panel (primary)...dialogue with representatives from North Somerset primary schools
18 th December 2018	Consultation Surgery 3:30 – 4:30pm at Castlewood
19 th December 2018	SEND Programme Board ...dialogue with representatives from health, social care, parents
19 th December 2018	Consultation Surgery 2:30-4:00pm at St. Barnabas Children’s Centre, Portishead
W/C 7 th January 2019	A reminder Noticeboard article about the consultation published.
7 th January 2019	Consultation Surgery 11:00- Noon at The Town Hall
8 th January 2019	Consultation Surgery 6:30-8:00pm at The Campus, Weston-super-Mare
11 th January 2019	Consultation responses will be considered
14 th January 2019	SSF report published
16 th January 2019	Proposals considered by the Strategic Schools Forum

