

Schools Forum

31st October 2017

Analysis of and Response to the High Needs National Funding Formula Consultation Phase 2

Phase 2 Consultation Responses

1. On December 14th 2016 the Department for Education (DfE) launched the second staged consultation on a national funding formula for high needs. 9 questions were asked covering the following areas:
 - Overall approach to balancing fairness and stability in constructing the national funding formula for high needs.
 - The detailed formula weightings and values
 - The arrangements for local flexibility between the schools and high needs budgets.
2. In total there were 1067 responses to Phase 2 of the consultation and the following is an overview of the responses and the decisions made from them.
3. DfE have stated that overall, respondents supported a number of the key proposals and much of the basic design of the formula. Analysis of and response to the high needs national funding formula consultation can be found here.

<https://www.gov.uk/government/consultations/high-needs-national-funding-formula-stage-2>

4. Several key themes were raised across several questions. These themes are summarised below.

Overall funding in the system

5. The overall level of funding, both for schools and for children and young people with high needs, was a concern expressed by many in response to the consultation.
6. Many welcomed the proposal for a funding floor that would prevent local authorities from losing funding, but remained concerned about the extent of the high needs cost pressures and effect of a growing number of children and young people with high needs. Respondents cited the effect of overall population growth in some areas, and increasing numbers of students aged 16 to 25 with high needs.
7. DfE want to make sure that local authorities, schools, colleges and other institutions have sufficient resources to meet the needs of all their pupils and

students, and particularly those with high needs. In July, they announced an additional £1.3 billion for schools and high needs across 2018-19 and 2019-20, in addition to the amounts in the 2015 Spending Review settlement.

Local budget flexibility

8. Although many mainstream schools welcomed the proposed ring fence around their funding, local authorities and organisations representing those with SEN and disabilities were concerned about the possible effect on their special provision. They asked how authorities could manage their high needs budgets in the face of increasing cost pressures if they had no recourse to funds from their schools budget. They also pointed out the importance of engaging schools in the local debate about the pattern of special provision in an area, and the financial consequences of decisions about whether mainstream or specialist provision was appropriate for individual pupils and students with high needs.
9. DfE have reviewed the arrangements for limiting local authorities' budget flexibility, and modified the original proposals. Instead of placing restrictions on increases to local high needs budgets from other funding sources, they intend to limit the proportion of the schools budget that can be transferred to other budgets. DfE acknowledged concerns about the practicality of securing schools' agreement, which is why, although schools forum approval will be required for transfers, there will not be a requirement that a majority of all schools also have to agree.

Recommendations

10. That the Forum notes the contents of this report.

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