

Funding and provision for children with additional needs

Public consultation

9 September – 18 October 2024

Why consult?

This consultation is about the goal of a fairer funding system so that schools can provide better support and education for any child.

The system for supporting children with additional needs in Somerset is under pressure. Similarly to many other areas in the country, there are too many situations arising locally where children's needs are not being met as quickly as anyone would want, and where arrangements that are being put in place are not having the impact that they should.

At the same time, the budget designed to pay for meeting additional needs ('the High Needs budget') is under enormous pressure. The deficit on the High Needs Block for 2023/24 was £15.1m. The overall deficit on the Dedicated Schools Grant ('DSG') as at 31 March 2024 is £36.0m and is likely to grow by significantly more than that this year and into the future. At the current rate of increase, that deficit is predicted to grow to £230m by March 2030.

It is clear changes must be made. The local authority cannot continue to spend ever more money without getting positive outcomes for children from that spending. This consultation is about money, because the evidence is that part of the problem in the system may be due to how money is given out. If money can be spent in a smarter and fairer way, this may result in better outcomes.

What needs to change?

Many parents have told us that their preferred goal is having their child attend a local mainstream school where their child flourishes and progresses. However, the ability of mainstream schools to provide for children with additional needs is coming under pressure.

When mainstream schools struggle or children's needs go unmet, this can result in a range of consequences:

- Some children respond to that situation with disruptive behaviour which can culminate in **suspension and exclusion**. In the latest national data, Somerset was the third highest rate of exclusions for children with SEND and the second highest rate of suspensions in England.
- Some children have their place in school break down, and this results in them being placed in an **independent special school** at comparatively high cost. The average annual cost for an independent special school placement is more than 10 times higher than for a mainstream school. Somerset's budget for independent special school's places is £20m higher than its budget for mainstream school support.
- Some children are **taken out of school** because their needs are not being met and either try and educate them at home or the child accesses something called 'Education Otherwise than at School'. However, this can put significant pressure on families and sometimes these arrangements are not successful.
- Some children feel so anxious or unwell at the prospect of attending school that they experience **severe non-attendance**. Somerset has seen a 22.6% increase in pupils severely absent from school since 2022.
- When children are not in full-time education this can put extreme pressure on parents' employment, such that too many parents have felt **forced to leave employment** in order to ensure that their child is safe and supervised. There are currently around 60,000 people of working age in Somerset who are classed as 'economically inactive' because they are not seeking employment.
- Some children end up **taken into care** because the pressure on families of not having a successful full-time school place becomes so great that the family no longer feels able to care for their child. Somerset's children social care budget in 2023/24 was overspent by £11.9m.
- Some schools can get into serious difficulties and underperformance because of the challenges involved in meeting the breadth of need within the school. The proportion of **schools judged inadequate** by Ofsted in Somerset is above the national average.

The solution is to strengthen and support the ability of mainstream schools to deliver excellent education for all children. Feedback from school leaders is that they are very focused on this goal, but that they are facing some important barriers:

- 1) **Funding** – The amount of money being provided to schools, including by the local authority, to pay for the provision that they must deliver within an Education, Health and Care Plan is significantly less than what it actually costs. They can access more money from the local authority currently, but the process is long and complex.

- 2) **Support** – Even if schools have the money, what they need is not always available to buy, and it can be difficult and time-consuming to organise support.
- 3) **Accountability and reward** – The accountability system for schools sometimes rewards schools and trusts that are not inclusive, and provides little to no reward for those who are.



What is being proposed?

This consultation contains seven proposals:

- 1) Give any school that is educating a child with an Education, Health and Care Plan **equivalent funding**.
- 2) **Phase in over time** equivalent funding for specific groups of children.
- 3) Retain funding centrally for children who need **specific services**, to make sure that they receive them.
- 4) Develop a **model of provision** to provide stronger support for children who need something other than mainstream education, but that actively supports them to return to mainstream education.
- 5) **Incentivise schools** to be inclusive and disincentivise them to exclude, including financially.
- 6) Provide **short-term, interim and emergency funding to schools** for pupils with additional needs, regardless of whether a plan is in place and without lengthy approvals.
- 7) **Establish annual timescales** each academic year for requesting placement changes and confirming forward funding.



Proposal 1: Equivalent Funding

The proposal is that any school that is educating a child with an Education, Health and Care Plan receive equivalent funding.

Funding for children with additional needs in mainstream schools in Somerset comes from four sources. The three 'elements' are set by national government:

Element 1 + Element 2 + Element 3 (Top-up) + Element 3 (Costed Plan)

Element 1 is the basic pupil funding that every mainstream child receives (around £5,000)

Element 2 is 'Notional SEND' which is funding that mainstream schools receive specifically for children with additional needs. The expectation in Somerset, in line with national policy, is that each school will contribute £6,000 to the cost of delivering the provision in an EHCP using this budget.

Element 3 is the Local authority Top-up. The Top-up is allocated to schools for individual children based on the needs described in the EHCP. Every child is given a 'banding' and the banding sets the amount of Top-up. Somerset's current banding system provides different funding for a child depending on whether they attend mainstream school or special school.

	Special Top Up	Mainstream Top Up
Band 1	1,935	-
Band 2	3,916	1,325
Band 3	7,895	2,798
Band 4	12,289	4,417
Band 5	16,284	5,888
Band 6	20,279	7,362
Band 7	26,671	11,484

The second part of Element 3 is another form of Top-up that is called a Costed Plan. If a school does not have enough money from their default Top-up they can apply to the local authority with an outline of what it would cost to fund the provision in the EHCP. They can then be awarded a further Top-up to pay for that provision, based on actual costs.

When we analysed the Costed Plans that have been put in place, the average costed plan was similar to the funding provided to special schools. This suggests that the special school Top-up is appropriate, but that the mainstream Top-up is too low.

	Costed plan plus		
	mainstream top up	Special top up	Variance
Band 1	-	1,935	1,935
Band 2	6,071	3,916	(2,155)
Band 3	9,081	7,895	(1,186)
Band 4	11,456	12,289	833
Band 5	13,148	16,284	3,136
Band 6	17,133	20,279	3,146
Band 7	14,409	26,671	12,262

The proposal is to raise the level of funding for individual children receiving a High Needs Top-up so that the school were allocated the funding that is currently designated for special schools. So, for example, a child whose school received a Band 5 Top-up would receive £16,284 whether they were educated in a mainstream school or special school. This child's mainstream school would receive £10,396 more in Top-up funding under this proposal than they would currently receive. If they attended a special school their funding would be unchanged.

The government guidance on Top-up funding says: "Top-up funding can also reflect costs that relate to the facilities required to support a pupil or student's education and training needs (either for individuals or on offer to all)."

When we have consulted with parents, they have told us that some of the most important interventions to support children with additional needs can also benefit all pupils. It is important that investments in a school relate to the needs of the funded child, but it would be entirely appropriate, and even expected, that a school use this higher level of funding to pay for things that might also benefit other children such as:

- Training for all teachers and/or other school staff
- Higher staffing ratios in the classroom or fewer pupils
- An improved school environment that supports that child's needs, such as Forest School or sensory adaptations
- More SENCO capacity
- Adapted learning on the school site, such as currently delivered in Somerset through Enhanced Learning Provisions

Proposal 2: Phasing

The proposal is that equivalent funding be phased in over time for specific groups of children.

Top-up funding comes from the High Needs budget, which is overspent. To change the funding for all children immediately would cost £10.3m. If there is support for a universal Top-up, then we are proposing to phase in the higher level of funding over time. If these three groups were moved onto the new universal Top-up rate as described below, over time all pupils would be on the new rate.

Group 1: Pupils with Costed Plans

There are currently over 600 live Costed Plans. These will naturally cease over the coming three years. The proposal is that Costed Plans would transition onto a universal Top-up either a) On 1 April 2025 where the universal Top-up was higher than the annual value of the Costed Plan or b) on the cessation of the current Costed Plan.

Plan end date	Number	%
Aug-24	240	37%
Aug-25	229	36%
Aug-26	133	21%
Aug-27	28	4%
Other	13	2%
	643	

Group 2: Pupils with a new EHCP

Around 250 children are issued with EHCPs in mainstream schools each year.

Where a pupil has been put forward for assessment and has a new EHCP issued, the new funding provided to the named mainstream school would follow the new universal Top-up rate.

Group 3: Pupils at the point of phase transfer

Every year groups of children transition from one phase of education to another:

- Early Years to Reception

- Infant to Junior
- Primary or Junior to Secondary
- First to Middle
- Middle to Upper

Every child who was transitioning into a higher mainstream phase would move onto the universal Top-up rate at the point of changing school. The first group to transition would be on 1 September 2025.

Group 4: Pupils receiving specific services

Some pupils rely on specific services to receive the provision outlined in the EHCP. The legal duty to secure the provision in an EHCP for a pupil lies with the local authority.

In order to ensure that all children receive the services that are outlined in the EHCP, all children with specific services named in their plans would receive universal Top-up from 1 April 2025.

Proposal 3: Specific Services

The proposal is that funding be retained centrally for children who need specific services, to make sure that they receive them.

Some children's EHCPs contain expected provision for the child that would not ordinarily be delivered through a mainstream school. The local authority is responsible for ensuring that this provision is delivered. In order to provide assurance that this can and will happen, the local authority needs to retain a central budget to either employ or commission support.

The proposal is that there would be a standard charging model for these specific services and that this would be deducted from the universal Top-up and used to fund the central or commissioned service for that child. This deduction would also apply to any special school or Pupil Referral Unit that did not provide the service as part of their ordinary delivery and required external provision in order to meet that child's needs.

The services that this would apply to (this list could change if services required within EHCPs changed over time):

- Specialist Teaching for Pupils with Hearing Impairment
- Specialist Teaching for Pupils with Vision Impairment
- Direct Occupational Therapy in schools
- Direct Speech and Language Therapy in schools
- Mentoring
- Tutoring
- Flexible Education support (see proposal 4)
- Specialist Technology Support

Proposal 4: Model of Provision

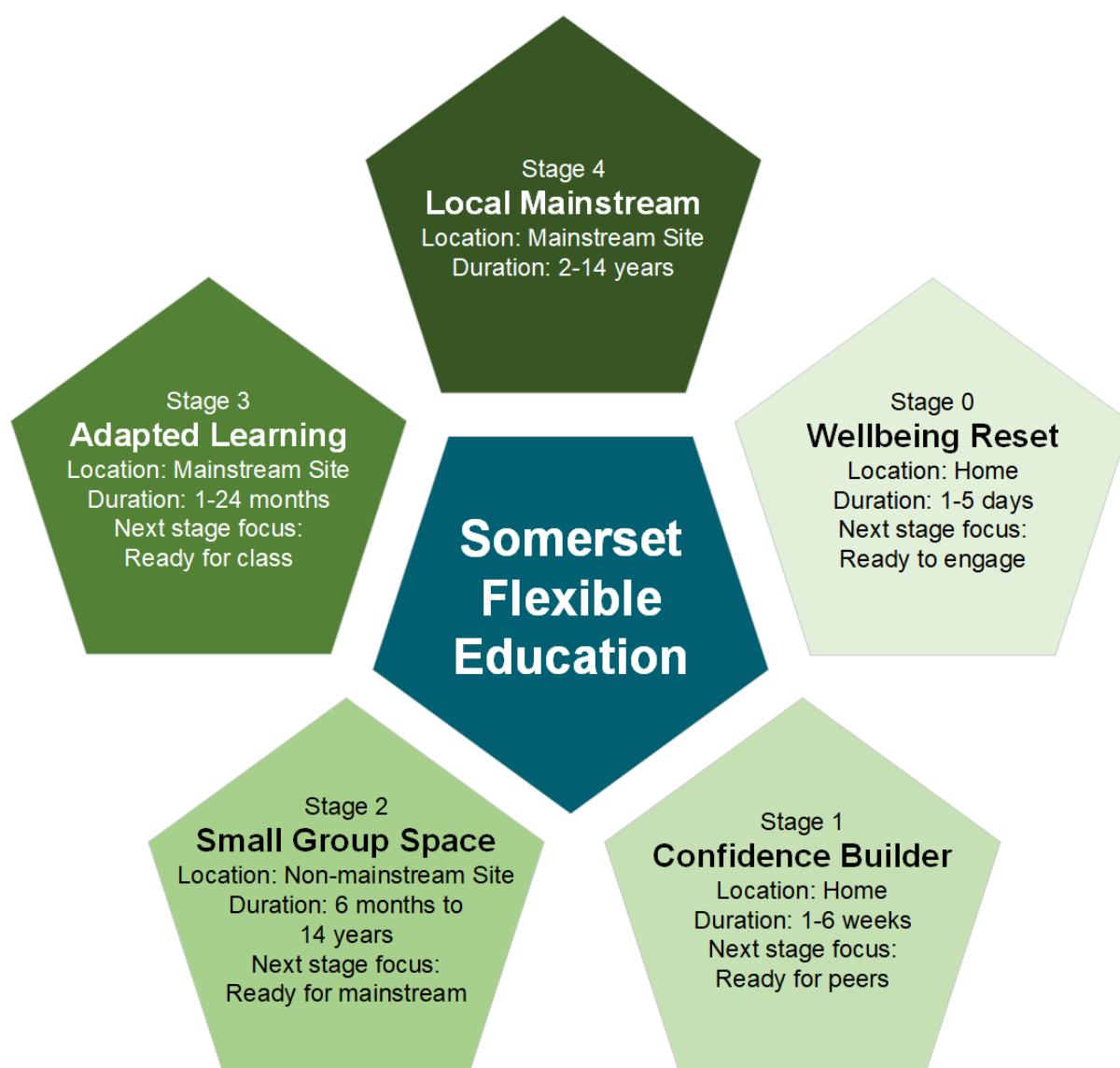
When we have consulted with families, stakeholders and schools, people have told us how concerned they are about the lack of clear solutions when children start to struggle in mainstream schools. While we do have high quality provision and expert people within the county, there is too little clarity about how to call upon this support in a way that is consistent, timely and appropriately funded.

The proposal is to establish a model of provision that is clear about how everyone in the system responds to situations where a pupil is finding mainstream school difficult. This model is based on the following principles:

- 1) Any child, no matter how profound the disability or challenging the background, could succeed in a local mainstream school. This may never come to pass, but we never surrender the idea of this potential outcome.
- 2) Every child should always be on roll at a school, whether they are currently attending or not. Unless they are likely to be attending a special school for the foreseeable future they should be on roll at a mainstream school.
- 3) Challenges can arise in any child's life which mean that something different is needed in their education, for a time, and that we should deliberately design our education system to provide for this positively.
- 4) Going to school is about learning, but it is also about supervision and childcare. If children can't attend school, most children will still need supervision or childcare so that parents' employment is not put at risk.
- 5) Every school should share the same understanding of the full range of curriculum provision and be able to stretch up or down where their pupils need that support or challenge: Pre-formal; Formal, Early Years Foundation Stage; Primary, Secondary, Post-16.
- 6) Out of school hours locally-based extracurricular activities and childcare is provision that is important for all children, whether they are able to attend their local mainstream school at this time or not.
- 7) Relationship-based provision is an important part of personal development and all children, regardless of where they are learning, should potentially be able to access locally-based mentoring, coaching and counselling. This model requires a common model of progression for personal development that develops wellbeing, confidence, peer relationships, working within boundaries, and self-actualisation.



These principles do not reflect our current system and would potentially take some time to realise, if supported through this consultation and subsequently adopted.



The proposed model describes a pathway back into mainstream education. It is made up of five stages:

Stage 0 – Some pupils find themselves very unwell and need support to establish the basics of functioning: getting up, getting dressed, engaging with an adult. The focus of this stage would be to prepare for engaging with learning.

Stage 1– At this stage a pupil would be ready to engage with an adult, and with some learning, but not with peers or the wider world. Learning would be a combination of online learning in the home or one on one in a designated safe location, and access to alternative provision outside the home. The pupil would be supervised throughout the day. The focus of this stage would be to prepare for learning outside the home in the presence of a small group of peers.

Stage 2 – This type of provision already exists in the form of special schools and pupil referral units. This small group learning would have the experts in assessing need and devising approaches that work for individual pupils. Some pupils would remain at this stage long term, but for all pupils there would be a focus on progressing their curriculum knowledge and personal development to enable them to flourish on a mainstream site.

Stage 3 – This type of provision already exists in the form of resource bases, units and Enhanced Learning Provision. This provision would evolve greater consistency so that there was a clear stepping stone between Stage 2 and Stage 3. This adapted provision would provide curriculum flexibility, for example teaching primary skills on a secondary site, as well as a personal development curriculum designed to prepare pupils for the routine and expectation of Stage 4 learning.

Stage 4 – This is local mainstream education as it currently exists but acting more clearly as the destination for pupils at other stages, and therefore maintaining an overview of a range of children on the pathway but not yet arrived with them. With clear thresholds to meet for children to progress, both the local authority and the destination school would be equipped to offer aspiration, check and challenge to other parts of the system.

Proposal 5: Incentives and Disincentives

Schools be **incentivised** to be inclusive and disincentivised to exclude, including financially.

Leaders in schools have told us that they feel the incentives and disincentives in the system are not focused on inclusion. In fact, sometimes rewards and financial incentives push schools towards exclusion. While some things form part of the national education system and cannot be changed within Somerset, some things can be changed here.

In order to make the funding system sustainable, Somerset needs to rely less on the use of independent provision. While use of independent provision may be appropriate for some children, the extent to which it is being used is too high. We have not provided any specific proposals for how schools could be financially incentivised to support a shift towards more successful state provision, but suggestions for how such a shift could be appropriately incentivised are welcomed in responses.

Somerset has some of the highest levels of suspension and exclusion in the country, and therefore these proposals are intended to focus incentives and disincentives in this area.

The overarching principle is that there should be more support when pupils are at risk of exclusion, and that exclusion should be disincentivised, particularly in the case of exclusion for persistent disruptive behaviour rather than a one off extreme or high-risk incident.

The proposals are:

- 1) Support for pupils at risk of exclusion and their schools:
 - The local authority would establish a dedicated team of staff for this work so that there is clear accountability for outcomes, and it is obvious to school- and trust-based staff who to contact and engage on this issue.
 - Pupils at risk of exclusion would be eligible for short-term, interim or emergency funding through Team around the Child meetings (see Proposal 6) regardless of whether there is an EHCP in place.
 - The preferred method for identifying a destination school for a child excluded would be through a direct approach to the most suitable school and a personalised discussion with all affected parties. This would ideally happen as soon after exclusion as possible and a support package for the admitting

school and child would be agreed to support re-integration, including ongoing review of the child's progress.

- The local authority would jointly commission with partners access to expertise in assessment to ensure children at risk of exclusion can be quickly assessed to identify and needs or conditions that may contribute to their dysregulation.
- Joint commissioning would also consider whether interventions that are known to be successful in supporting additional needs are sufficiently understood, accessible and being deployed in all areas of the county in a timely way.
- The local authority would publish very clear guidelines on steps to take to prevent exclusion and minimum requirements for exclusions to be compliant with expectations, including a clear definition of what risk of exclusion means.
- The local authority would report internally on pupils at risk of exclusion and provide internal check and challenge that requests for support are being met in an appropriate and timely manner.
- Schools receiving pupils who have come off roll from another school would be immediately awarded per pupil funding (known as AWPU), all categories of Pupil Premium allocation and High Needs allocation.

2) Disincentives for exclusion:

- Excluding schools would be required to provide significantly greater levels of documentation and assurance to evidence that minimum requirements for exclusions and expectations have been met.
- Where exclusions do not comply with the minimum requirements and expectations, this information would be shared with governing bodies, trust directors and trustees (where relevant), local authority oversight (where relevant), the Department for Education Regions Team and Ofsted.
- Regulations permit schools to have funding removed when a pupil is excluded. This is currently done periodically. In future, an invoice would be issued immediately and would include per pupil funding (known as AWPU), all categories of Pupil Premium allocation, and all High Needs allocations, including repayment of any short-term, interim or emergency funding (though the local authority would retain discretion to waive this in exceptional circumstances).
- Under the Fair Access Protocol, 'equitable share' calculations would include consideration of the volume of exclusions and whether these were compliant or non-compliant with minimum expectations.
- The default for re-placing pupils who have been excluded would be through one-to-one discussions with the most appropriate destination school. 'Equitable share' calculations would include consideration of the extent to which each school has worked collaboratively in this way.
- An independent panel would be established to make decisions under the Fair Access Protocol. Schools would be permitted to make representations on matters of pupil risk or factual inaccuracy, but in all other cases allocations would be made without negotiation on the basis of the calculation of equitable



share for the schools within a 30-minute travel time from pupil's home address.

Proposal 6: Short-term, Interim and Emergency Funding

A fund be established to provide **short-term, interim and emergency funding to schools** for pupils with additional needs, regardless of whether a plan is in place.

School leaders have told us that being able to access funding quickly is sometimes more important than the sums involved. School budgets can easily be fully committed, and therefore finding additional money to spend that was not planned for can be difficult and stressful.

The proposal is to establish a fund that can be accessed rapidly by frontline local authority managers without application or lengthy sign off.

The fund would be available for:

- 1) Match funding up to £500 for emergency situations. This funding would need to be matched by the school but could be agreed on the day by local authority managers in a Team around the Child meeting.
- 2) Team around the Child meetings could recommend to the local authority decision maker the allocation of funding equivalent to Band 4 for twelve months (currently £12,289), with or without EHC assessment or plan, which would be agreed and paid within one month.

Short-term, interim and Emergency funding would only be allocated to schools keeping a child on roll. This funding would be used to fund Flexible Education provision, with the understanding that the costs of intensive support are much higher in the early stages, and then taper as a child is re-integrated into school. Schools could elect to have funding withheld and provision arranged directly by the local authority, or to access a county-wide contract using their allocated funding. If a child was removed from roll for any reason other than a move to another mainstream school within three years, this funding would need to be repaid in full.

Proposal 7: Annual Timescales

Annual timescales be established each academic year for requesting placement changes and confirming forward funding.

Financial pressures can be created where there is uncertainty about whether and how much funding will be allocated. This can be an impediment to recruitment and retention.

On the local authority side, pressures can be created for families and for the budget where there is uncertainty about which children may need a change of placement.

In order to create greater stability and certainty in the system as a whole, it is proposed to expand on the current timetable for placement decisions:

15 October	New deadline for schools to notify the local authority of intention to seek alternative placement for pupil outside of phase transfer year, either through new request for assessment or through annual review
15 November	Existing deadline for schools to submit their annual review reports for children in phase transfer year
15 February	Local authority notifies all schools and parents of allocations of school places for forthcoming September start to academic year
15 March	All schools receive confirmation of full High Needs allocation for current and new children for forthcoming September start to academic year