

# Understanding Schools Funding

A Contact webinar presented by Karina Kulawik  
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January 2021



# Welcome!

If there is a technical hitch, please do bear with us.

Those of you joining by pc, laptop, tablet or smart phone should now be able to see this introduction slide.



## Timings and Questions

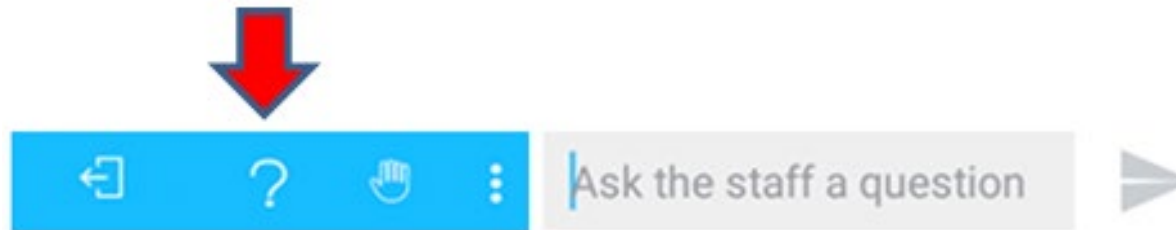
There will be opportunities in this session to ask questions during the question and answer sections of this webinar.

You can also use the question icon on your GoToWebinar tool bar on your screen.

This will allow you to type your question in to the text box and submit this to the Webinar administrator.

We will select as many relevant questions to answer as time allows, if similar questions are received we will condense these where possible.

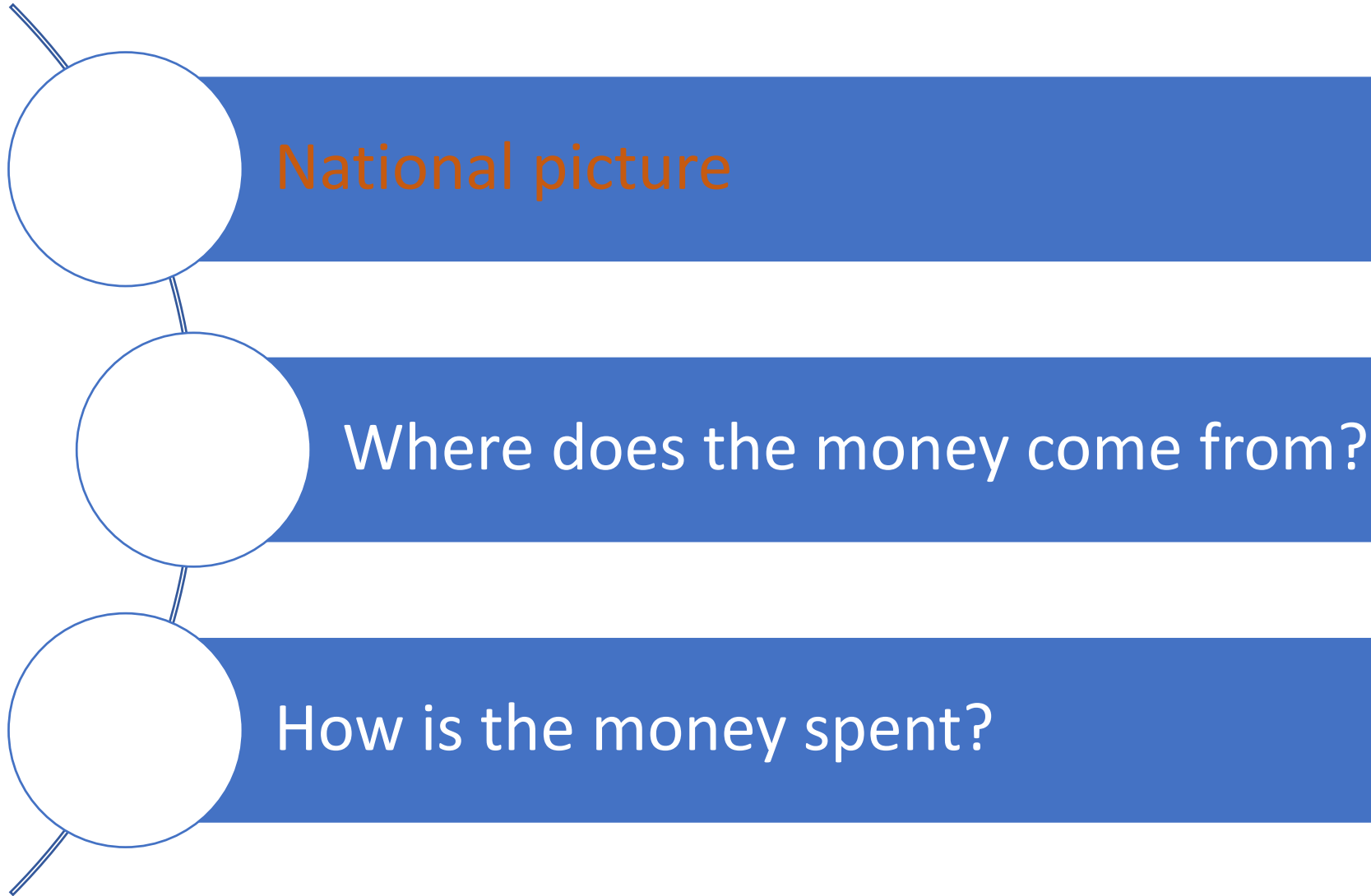
Welcome!



# Special Educational Needs Funding arrangements

Karina Kulawik  
January 2021





## A promise made.....

We want children and young people with special needs and disabilities to **achieve well** in their early years, at school and in college; **find employment**; **lead happy and fulfilled lives**; and **have choice and control** over their support.

The special needs reforms will implement a new approach which seeks to join up help across education, health and care, from birth to 25. Help will be offered at the earliest possible point, with children and young people with SEND and their parents or carers fully involved in decisions about their support and what they want to achieve. This will help lead to better outcomes and more efficient ways of working.





Department  
for Education



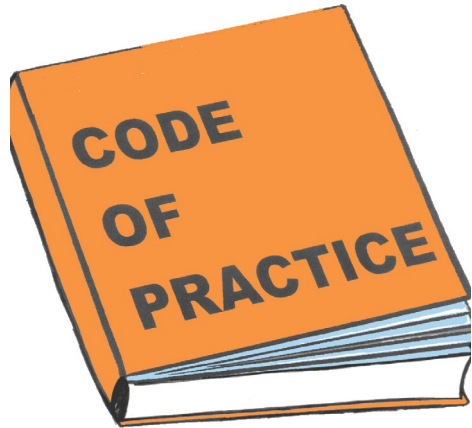
Department  
of Health



# The vision and desired outcomes:

- Children's SEN (Special Educational Needs) are picked up early and support is routinely put in place quickly;
  - Staff have the knowledge, understanding and skills to provide the right support for children and young people who have SEN or are disabled;
  - Parents know what they can reasonably expect their local school, college
  - An integrated assessment and a single Education, Health and Care Plan are in place from birth to 25; and
  - Aspirations for children and young people are raised through an increased focus on life outcomes, including employment
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# SEN and funding legal frameworks



- Funding regulations (2013 reform) – EY, school colleges funding (whole system not just high needs)  
<https://www.legislation.gov.uk/ukxi/2020/83/contents/made>
- National funding formula for schools and high needs funding
- The Code (2015) – references to ‘best possible’, ‘appropriate’ but also efficient use of resources  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/398815/SEND Code of Practice January 2015.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/398815/SEND_Code_of_Practice_January_2015.pdf)



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# SEN Review

Department for  
Education  
(from Sept 2019)

## Key areas of focus

- How system has evolved since 2014
- How it can work best to ensure **quality** of provision across the country
- Explore the role of health care in SEND
- How we strike the right balance between **inclusive mainstream and specialist placements**
- How to align **incentives and accountability** for schools, colleges and LAs to make sure they provide the best support
- Understand what is behind the rise in EHCPs and the role of specific health conditions in driving demand
- **Ensure that public money is spent in an efficient, effective and sustainable manner**

# Contributing factors

## New SEND legislation

- High expectations, extension of age range to 0-25

## Demographic changes

- Small increase in population but big regional differences
- advances in medical science, better diagnosis
- rising levels of poverty, link between disadvantage and SEN

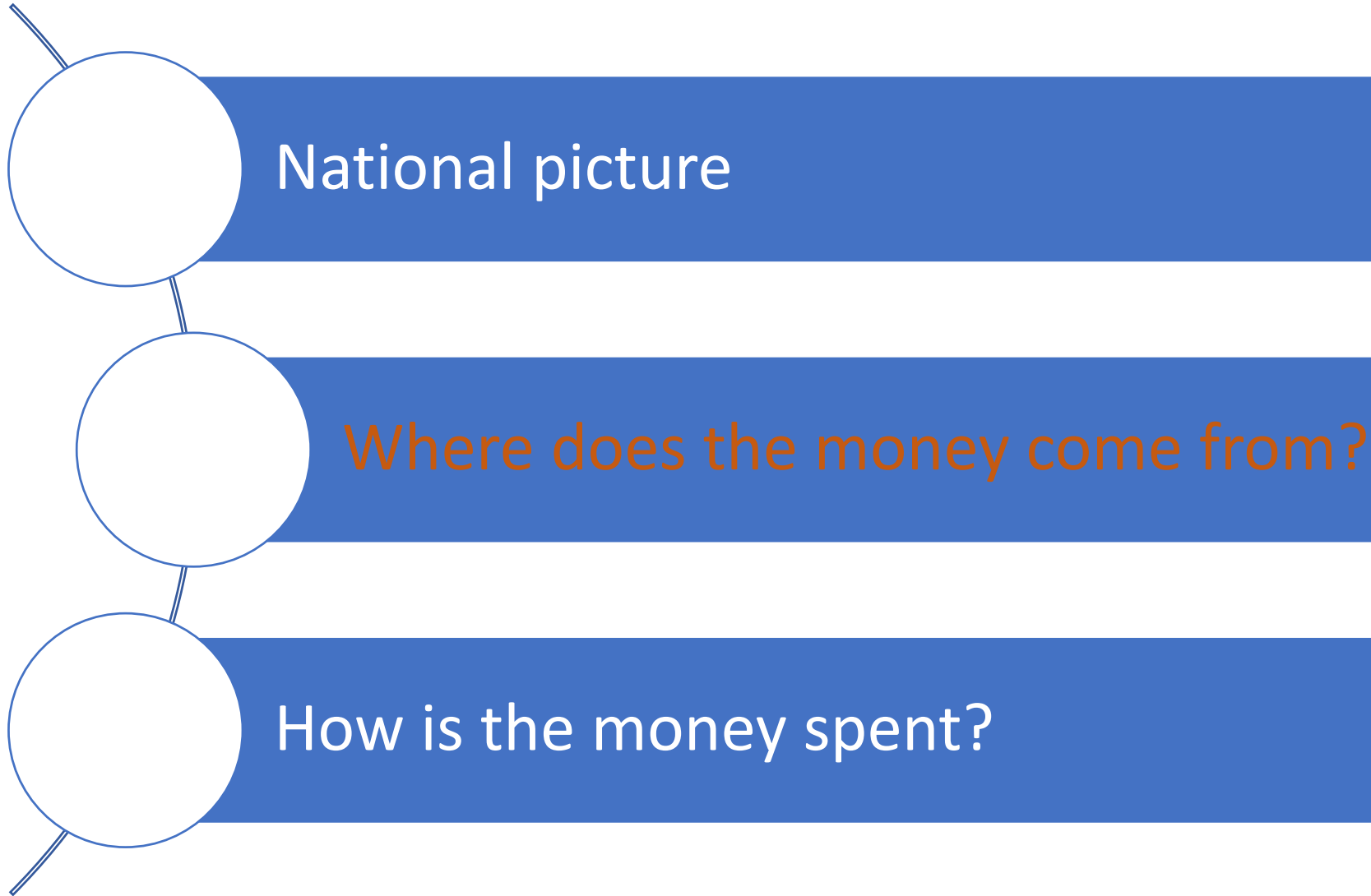
## National policy

- Curriculum, Progress 8
- Recognition that system can only work if inclusion is seen as a collective endeavor, nationally no rewards/incentives for being inclusive
- Cap on transfers between DSG blocks

## Financial pressures

- Overall, whole system funding pressures and rising unit costs,
- More children educated in more specialist forms of provision
- Pressures in health and social care





# Overview - Where does the money come from?

## Education

- DSG (Dedicated Schools Grant):
  - Schools Block
  - High Needs Block
  - Early Years Block
  - Central Schools Services Block

## Social Care

- Local government (local tax, grants)

## Health

- NHS England
- Public health
- Local CCGs

# Education

National Government



Dedicated Schools Grant



Dedicated Schools Grant



Early Years Block



Schools Block



High Needs Block



Central School  
Services Block

Please note, there are a separate funding streams for FE colleges to fund study programmes, traineeships, for apprenticeships and adult education budget for post 19 students. More information at the end of the presentation.

# The National Funding Formula



## What is it?

Method that the Government use to decide how much money should be given to state schools and local authorities. It aims to remove discrepancies

## Key principles

- Fair, equitable and transparent funding allocation
- Formula that is better matched to **need** rather than postcode (all national factors are need based)

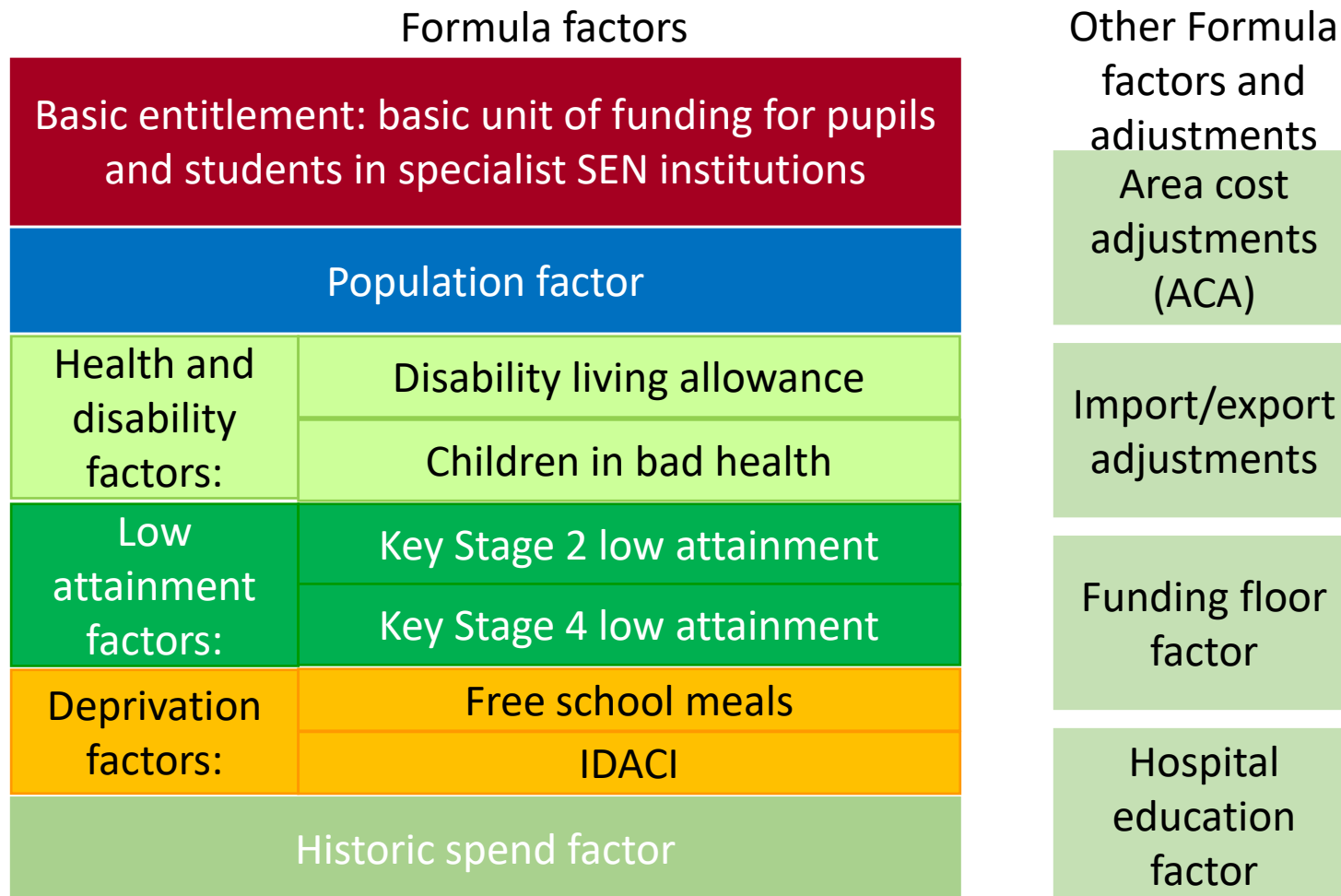
## Chronology

- 2016, plans announced beginning of the consultation (under the original calculations 54% of schools were due to gain funding and 46% would lose)
- Aim to fully implement by 2021

## Impact

- Little flexibility left at the local level (movement of money between blocks, up to 0.5%)
- Some councils moved to reflect hard formula already (42%) , others continue to set their own formulas to distribute the money (in agreement with school forums)

# Drivers of the National High Needs funding formula



This diagram illustrates the 9 different factors that will be included in the high needs national funding formula. It is not designed to scale.



# Funding streams (national system)

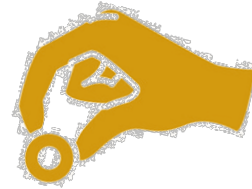
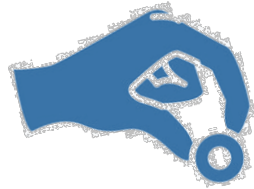
|   |   |
|---|---|
| <p><b>Element 3</b></p> <p>Top-up funding</p>                 | <p>Additional funding allocated for individual children and young people requiring provision costing more than £10K (High Needs threshold)</p>  |
| <p><b>Element 2</b></p> <p>Some children and young people</p> | <p><b>What is it?</b> - additional funding for children and young people identified as having SEN</p> <p><b>What does it pay for?</b></p> <ul style="list-style-type: none"> <li>• Targeted interventions</li> <li>• Individualised resources, specific equipment and aids</li> <li>• Individualised reasonable adjustments, Equality Act (2010)</li> </ul> |
| <p><b>Element 1</b></p> <p>All children and young people</p>  | <p><b>What is it ?</b> – Individual allocation of money for each CYP</p> <p><b>What does it pay for?:</b></p> <ul style="list-style-type: none"> <li>• Evidence based, effective, inclusive teaching and learning approaches (Quality First Teaching – QFT)</li> <li>• Reasonable adjustments, Equality Act (2010)</li> </ul>                               |

Note – this is not an illustration of the whole funding model for schools and settings.

# Money may be reaching educational settings in different ways

## Education & Skills Funding Agency

- Element 1 and 2 (schools)
- Element 1 (FE)
- Disadvantage Funding, English and Maths support funding (FE)
- **Element 2 (post 16)**
- **HN places (academies)**



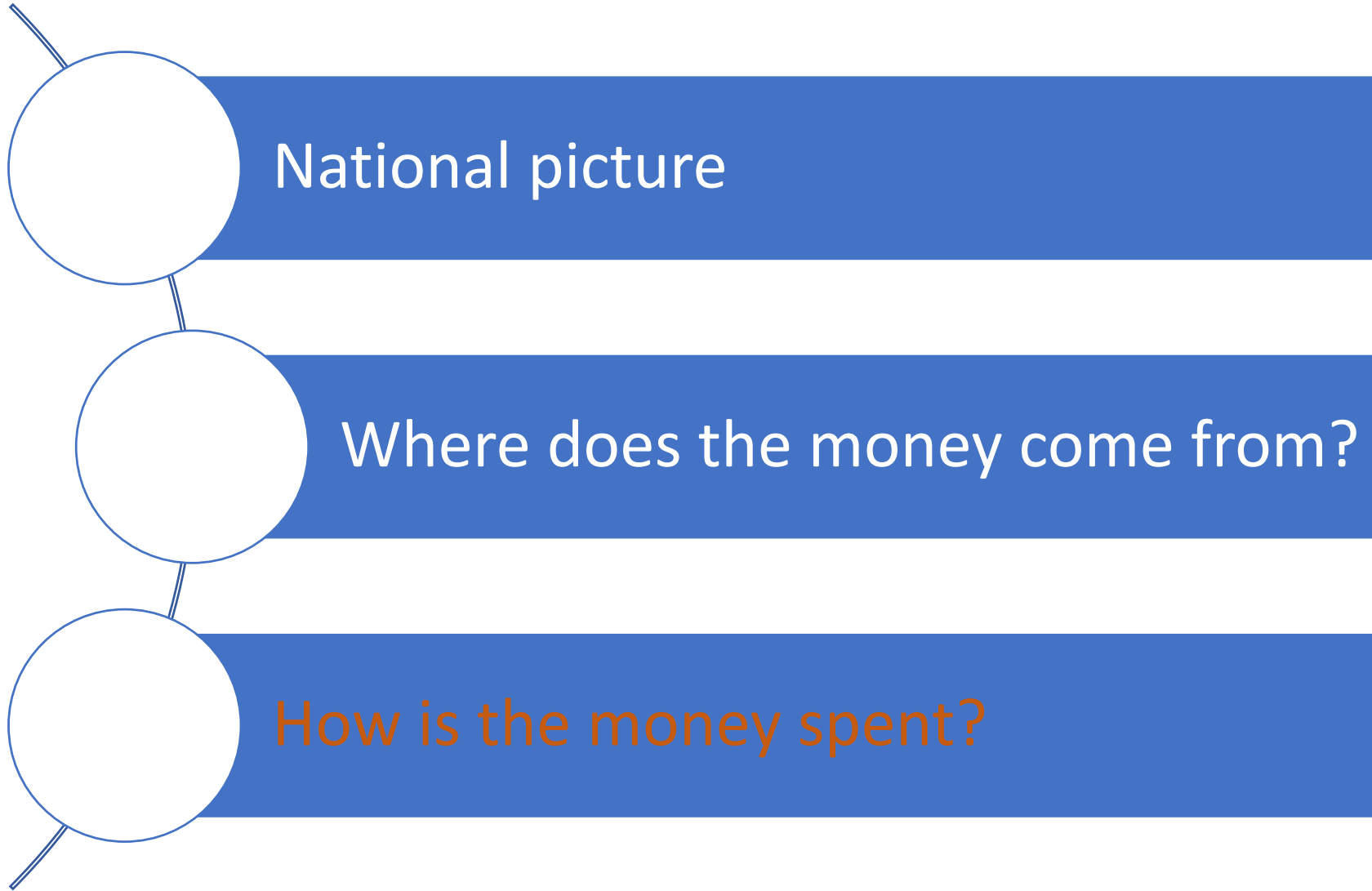
## Individual councils

- **Element 3 - for HN students**
- **HN places (maintained schools, additional places, AP)**
- **Independent providers**

# In summary:

- **National** legal framework
- **Local** Schools forum and sub- groups- non school members may include parent group  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/888371/Schools\\_forum\\_operational\\_and\\_good\\_practice\\_guide.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/888371/Schools_forum_operational_and_good_practice_guide.pdf)



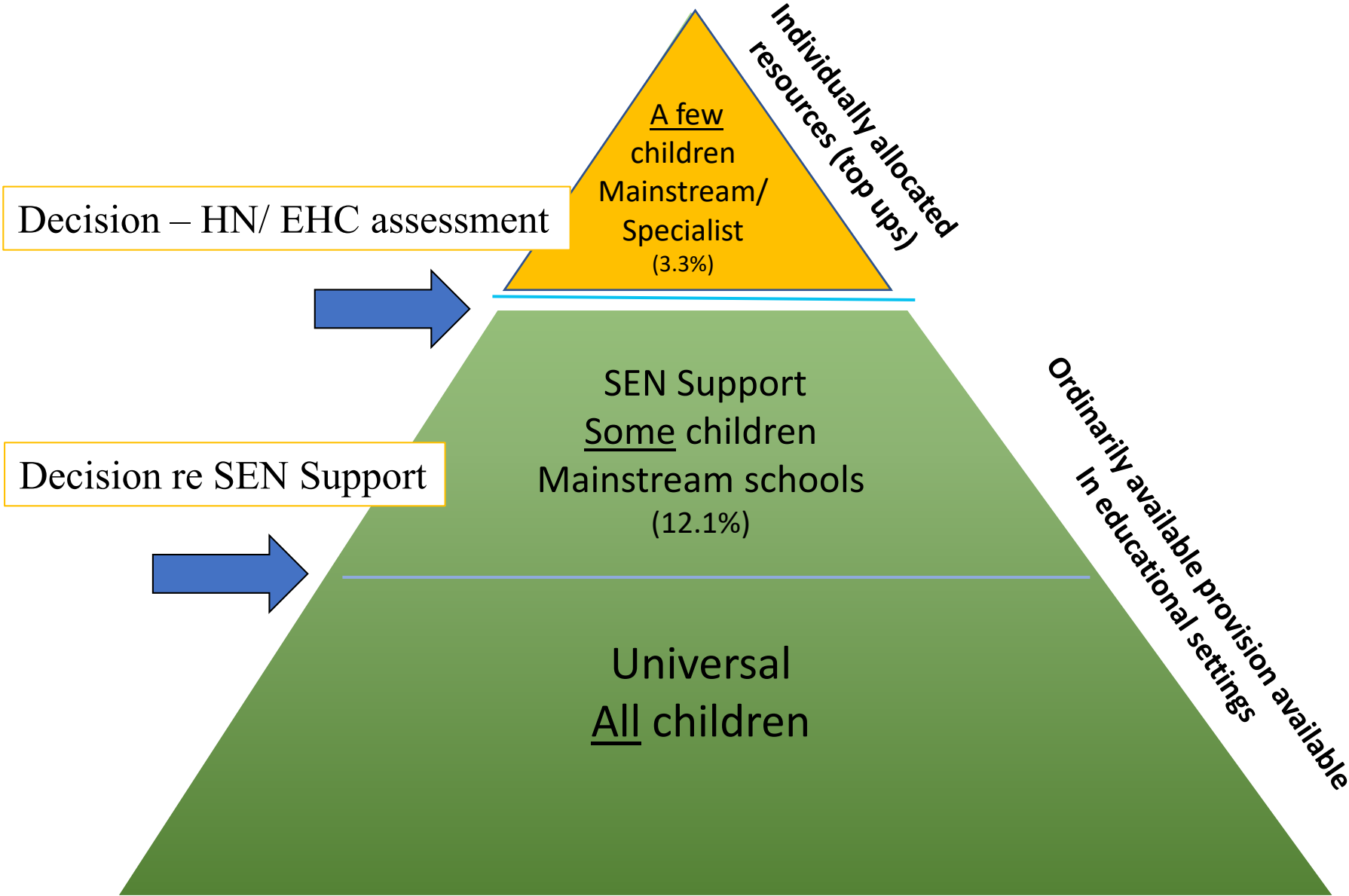


# Funding to support SEND

- All educational providers including early years, maintained schools, academies, free schools and colleges are provided with resources to support children and young people with SEND.
- Schools have an amount identified within their overall budget called the notional SEN budget. It is not a ring fenced amount.
- It is expected that this budget is used to support children with SEND for up to £6K (this does not mean £6K per child!). This is a national not a local threshold. Schools will use this budget to provide high quality, appropriate support for the vast majority of children with SEND, for example additional interventions, small groups to enhance Quality First Teaching, additional equipment, individual support.
- Other funding, such as Pupil Premium (for children looked after or children on free school meals) will also be used to provide additional support.
- Schools and other educational providers will plan SEN support strategically and will use all sources of funding to provide appropriate support.



# Whole system approach



# Education

National Government



Dedicated Schools Grant



Dedicated Schools Grant



Early Years Block



Schools Block



High Needs Block



Central School  
Services Block



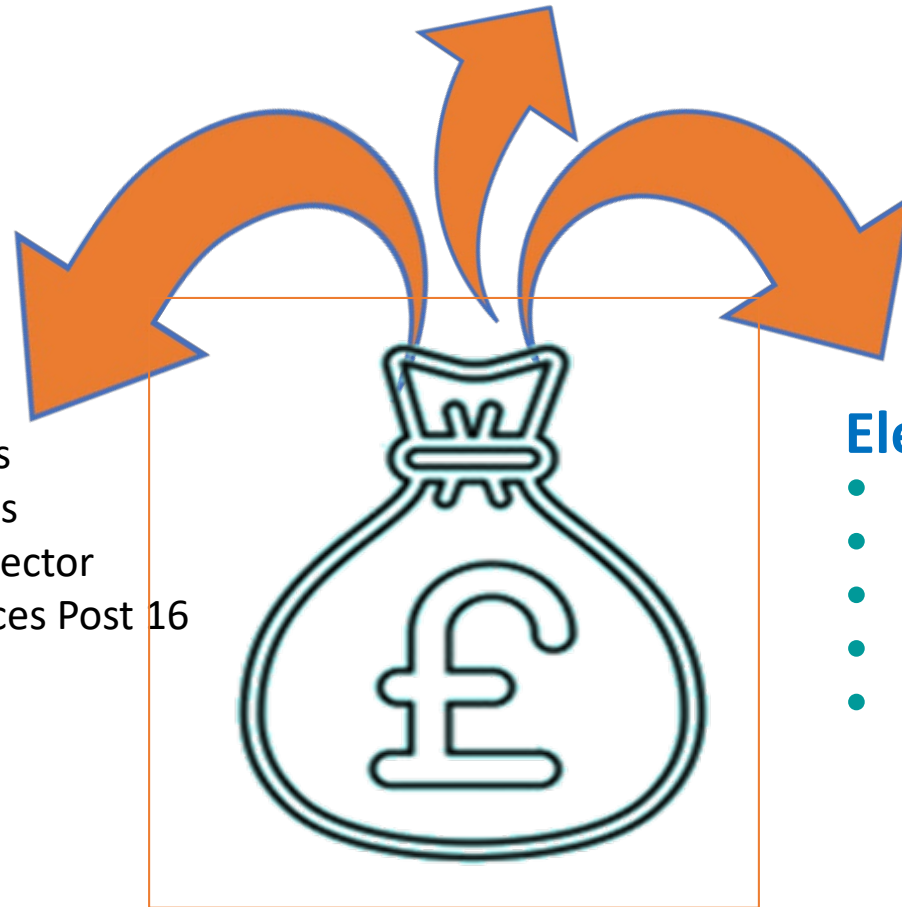
# High Needs Block – what does it pay for?

## Services

- Specialist teachers
- Alternative provision

## Places

- Special schools
- Resource bases
- Independent sector
- High need places Post 16
- AP



## Element 3 - Top ups

- Mainstream schools
- EY settings with EHC plan
- Post 16 provision
- Special schools
- Resource bases

# How difficult is it to get it right?

## Services in the local area

- Do we have the right services?
- Do we have enough of them?
- Who commissions them?
- Who pays for them?



# How difficult is it to get it right?

## Places in the local area

- Do we have enough places?
- Do we have the right offer (age, SEN type, resource bases, special schools)?



How difficult is it to get the value of **top ups** right? (Isos research, 2014)

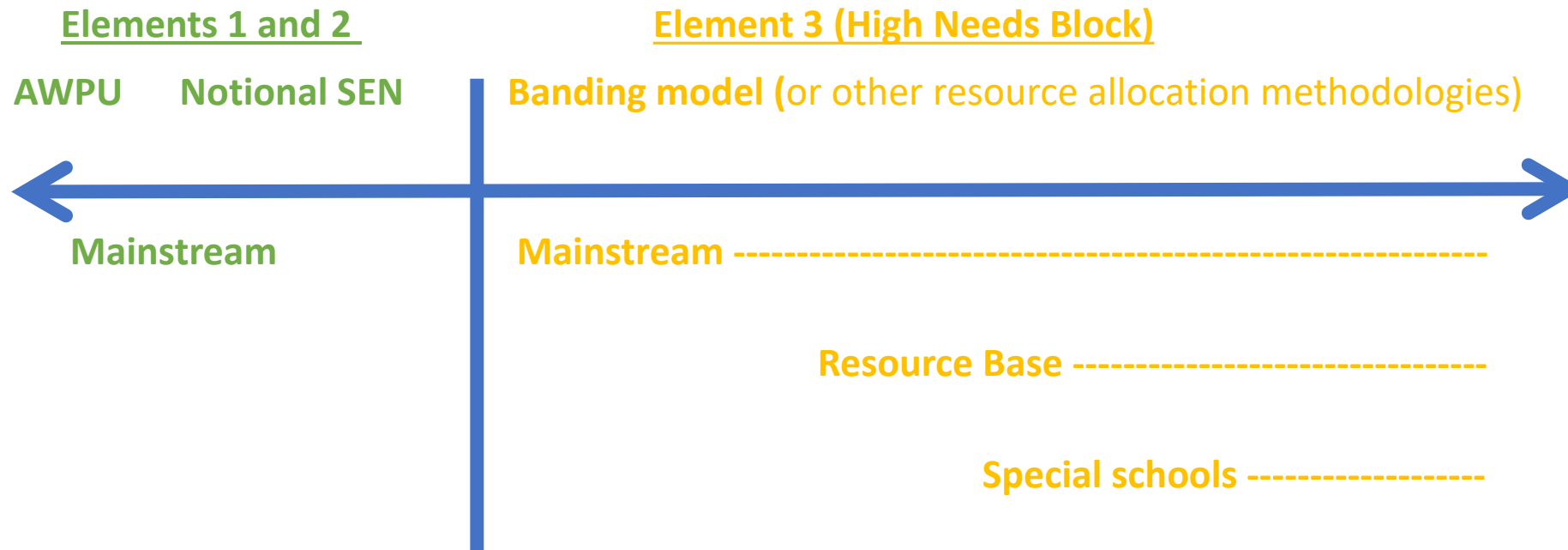
| Profile  | Placement  | LA response  | Provider response  |
|--|--|--|--|
| <b>Johnny</b> -Yr 8 medical, PI, no learning needs | Mainstream – agreed  | Range: <b>no top up - £8000</b><br>Average - £2,828  | Range: <b>no top up - £19,000</b><br>Average - £9,100    |
| <b>Kate</b> – Yr 7 MLD                             | Mainstream – all agreed  | Range <b>no top up - £3,232</b><br>Average - £3,232  | Range: <b>no top up</b><br>One provider requested £2,500 |
| <b>Peter</b> – Yr4, ASD, SLD, challenging behavior | Specialist setting – all LAs and half of providers<br>Mainstream – half of providers | Range: <b>£4,000-£23,500</b><br>Average - £11,367    | Range: <b>£2,000-£25,000</b><br>Average- £12,115         |
| <b>Grace</b> – Yr 12, ASD, SEMH, very able         | Mainstream – all agreed  | <b>No top up</b>                                     | <b>No top up</b>   |
| <b>Indy</b> – Yr2 S&L, MLD                         | Specialist – all LAs<br>Mainstream – most providers                                  | Range: <b>no top up – £6,650</b><br>Average – £3,730 | Range: <b>no top up - £3,500</b><br>Average - £2,233     |

# Places, top ups (Elements 1, 2 and 3) and services

|  | Funds held by school                                  |   | Funds allocated by LA for individual pupils |
|--|---|---|---|
| <b>Mainstream</b>  | Age Weighted Pupil Unit<br>average £4K<br>(Element 1) | Notional SEN budget<br>up to £6K<br>(Element 2) | Top Up Funding<br>(Element 3)               |
| <b>Resourced provision/unit attached to a mainstream school</b>  |   | Place value<br>£6K                              |   |
| <b>Special Schools</b>   | Place value £10K                                      |   |   |
| <b>Independent schools</b>   | School Fees   |   |   |
| <b>Support Services</b>  | Contracts based on various commissioning models       |   |   |
| Note – this is not an illustration of the whole funding model for schools and settings for example Pupil Premium (CLA and FSM) is not included |   |   |   |

# SEN funding pathway – *example*

Aim – fair and transparent allocation of additional funding



# What works best ?

7 areas which should be acted on together.

<https://static1.squarespace.com/static/5ce55a5ad4c5c500016855ee/t/5d1cdad6b27e2700017ea7c9/1575395025501/LGA+High+Needs+Tipping+Point>

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Developing shared understanding of funding issues with schools and parents

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Supporting inclusion and holding schools to account

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Building the confidence of parents in the local offer

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Maximising the capacity of local special schools

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Reduce reliance on INMSS places

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Develop post 16 pathways to independence

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Work with partners across the system

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# Top tips for Forums

- **Build a joint understanding of the local area** – data is very important but it is often just the beginning of the journey. Remember to compare, benchmark and ask questions.
- **Build relationships and trust** – true partnership has to be built on honesty and trust but it does not happen over night - no elephants in the room, no skeletons in cupboards.....
- **Look for opportunities to work together** – listen and learn from each other. The issues are difficult and can be emotive. You might have to say unpopular things to your strategic partners or your members. Honesty is always best but try to find effective ways to communicate these messages.
- **There is no perfect solution out there** – don't let the perfect be the enemy of good enough! Progress happens by making small steps in the right direction.



## Parent Carer Forums Working with Partners - An example

Feedback from parents showed Hertfordshire's Exceptional Needs funding system wasn't working – particularly in meeting the needs of children with high needs in mainstream schools.

The forum (Herts. Parent Carer Involvement);

- Reviewed the system and identified barriers parents were facing in accessing appropriate support
- Were fully involved in the design of the new High Needs Funding system
- Helped communicate changes to families e.g. Local Offer and position statements, newsletters etc
- Continue to have an oversight role by providing parental representation on the ongoing HNF Business Monitoring Group
- Is embarking on the development of Specialist Provision aspects which should be in place from Spring 2023

**For more information about the issues and the forum's approach visit [www.contact.org.uk/get-involved/parent-carer-participation/resources-\(general\)/](http://www.contact.org.uk/get-involved/parent-carer-participation/resources-(general)/)**





# Early years

Base rate funding from the Dedicated Schools Grant to fund a child's place in an early years setting (there are differences in the amount depending on age)

Additional funding streams :

- deprivation supplement (IDACI, Income Deprivation Affecting Children Index, applies to 3 and 4 year olds only). It is based on the post code of the child's address not the EY provider.
- Early Years Pupil Premium
- Disability Access Funding - funding to support children with disabilities or special educational needs. It aids access to early years places by supporting providers in making reasonable adjustments to their settings. (for three and four year olds who are taking up their free entitlement and are in receipt of Disability Living Allowance, does not apply to reception year)

Inclusion Support Funding – allocation of additional funding for individual children administered by local authorities (locally determined criteria)

High Need top up funding – additional funding for children with very complex needs, often with EHCPs (locally determined criteria)

# 16-19 funding

The ESFA funds sixth-form colleges, further education colleges, sixth-forms in schools, sixth-forms in academies, special schools, special academies, independent learning providers, local authorities, special post-16 institutions and some higher education institutions. These institutions are funded to provide **study programmes** for young people. (the value attached to a study programme varies)

Additional funding streams:

- Disadvantage funding (national formula)
- English and Maths support
- Access to Work (AtW) grant can cover additional support such as the job coach element of a supported internship or traineeship, where needed. An application for funding goes through the education provider (or supported employment provider working with the education provider)  
<https://www.preparingforadulthood.org.uk/downloads/supported-internships/access-to-work-fund.htm>

High Need top ups – for young people with complex special educational needs, they may or may not have EHCPs

# 19 – 25 funding

## Young people with EHCPs

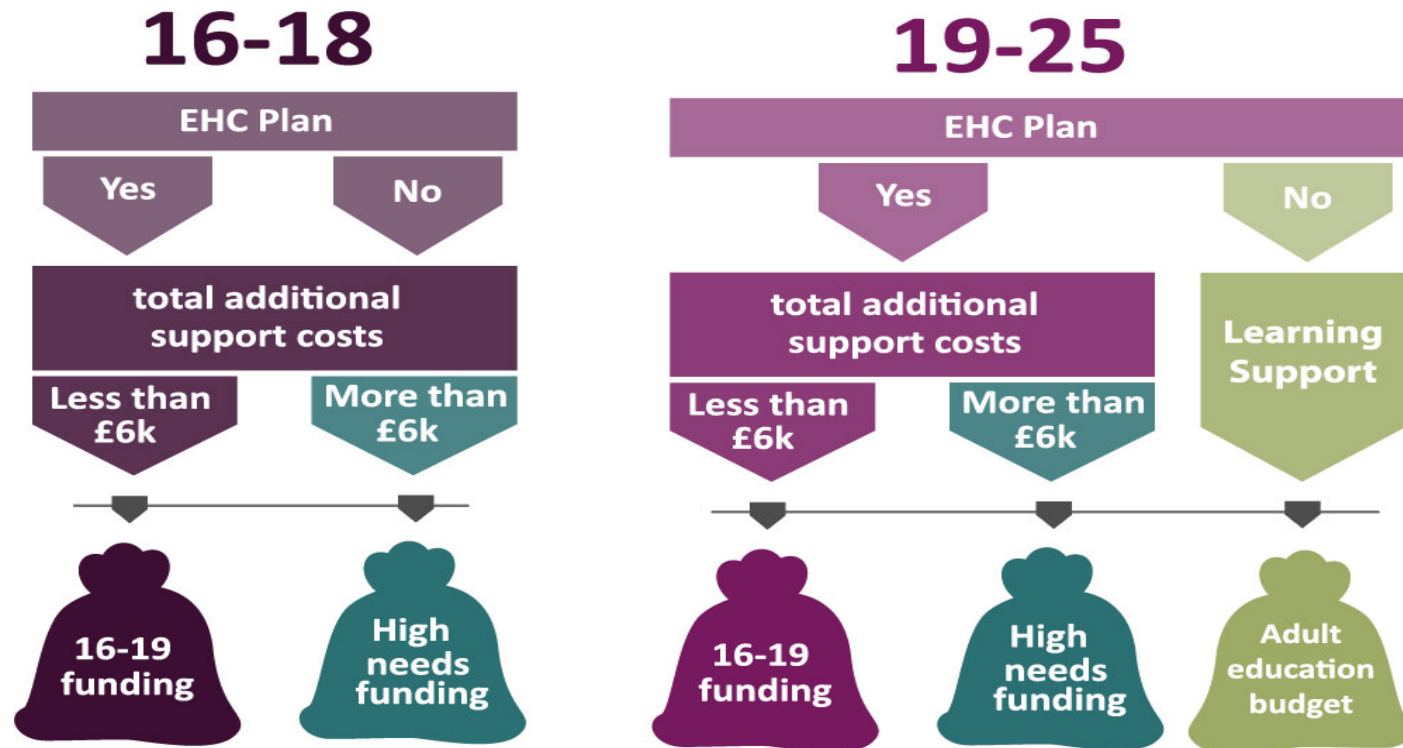
19-25 year olds must have an EHC plan to be eligible for support from the high needs block.

## Young people without EHCPs

Adult Education Budget Learning Support can be used by institutions to fund students aged 19-25 with SEND but without an EHC plan.

- ESFA Adult Education Budget Learning Support is available to meet the cost of putting in place a reasonable adjustment, as set out in the Equality Act 2010, for students with SEND to achieve their learning goal. ESFA Adult Education Budget Learning Support must not be used to deal with everyday difficulties that are not directly associated with a student's participation in their programme.
- Some students may need significant levels of support to start or continue learning. These students are unlikely to be planning to take part in learning without careful consideration of their needs and the ability to meet them, and there will be other agencies involved in their care and support. These students can get access to exceptional ESFA Adult Education Budget Learning Support if their support costs more than £19,000 in a funding year.
- However, students aged 19-25 requiring significant levels of SEN support would normally be expected to have an EHC plan provided by their local authority and would therefore be funded through the high needs funding approach.

# Funding in Post 16 institutions



<https://councilfordisabledchildren.org.uk/sites/default/files/field/attachemnt/Funding%20of%20Students%2016-25%20PfA.pdf>



# Further Questions and Resources

If you have any other questions arising from this webinar please contact your **Regional Adviser** for guidance or email [parent.participation@contact.org.uk](mailto:parent.participation@contact.org.uk)

Or get in touch via **Contact's free helpline** 0808 3555 (9.30 – 5pm Mon-Fri) or email your question to [helpline@contact.org.uk](mailto:helpline@contact.org.uk) or visit our advice pages on the website [www.contact.org.uk](http://www.contact.org.uk)

Webinars and other resources can be found on our **participation pages** [www.contact.org.uk/get-involved/parent-carer-participation/resources-\(general\)/](http://www.contact.org.uk/get-involved/parent-carer-participation/resources-(general)/)

Council for Disabled Children has useful information about SEN funding here [https://councilfordisabledchildren.org.uk/sites/default/files/uploads/documents/import/cdc\\_funding\\_briefing\\_for\\_parents\\_-\\_final.pdf](https://councilfordisabledchildren.org.uk/sites/default/files/uploads/documents/import/cdc_funding_briefing_for_parents_-_final.pdf)





# Thank you!

Thank you for attending with us today.

A short questionnaire will launch at the end of this webinar. Please take the time to complete this as it will help us plan future events.

The recording of this webinar and presentation will be available on Contact's website in the next two weeks. Look out for news about this on our homepage and social media networks.

