**SCHOOLS FORUM MEETING**

**Post 16 High Needs Funding**

**Introduction**

From April 2013, Local Authorities became responsible for commissioning educational provision for all children and young people with Special Educational Needs (SEN) up to the age of 25 years. Previously this responsibility ended at 19 years old or when the young person left school.

This report seeks to inform the Schools Forum of current issues, advise of the challenges ahead and highlight the plans in place for the future.

**Background**

The SEND reforms, contained in the Children and Families Act, place the responsibility for assessing need and providing support to students with complex needs between the ages of 0 and 25 on to the Local Authority. They also give families the option to ask for a personal budget for their support. For these reforms to work for young people and families, the Authority must be consistent in its support for students with similar needs, and across different providers, to allow families real choice of provision.

In August 2013, responsibility for the funding of high needs students in Further Education and ISP settings was transferred to the Dedicated Schools Grant (DSG); now funded from the High Needs Block. Prior to this, funding was allocated to FE settings directly by the Education Funding Agency. This transfer places a responsibility on local authorities to ensure a transparent and equitable basis of post 16 high needs funding. A condition of the DSG set by the DfE is that, *“in making arrangements for funding young people with high needs, the authority must treat those placed in maintained provision, in Academies and Free Schools, in the FE sector, and in non-maintained and independent provision on a fair and equivalent basis”.*

FE settings have previously been funded by the EFA on an actual cost of provision basis for individual students, from returns submitted by the settings themselves. The Authority has continued this approach for the 2013/14 academic year but must begin to move towards a more equitable and transparent approach.

It is intended that a new system will be ready for implementation for the 2015/16 academic year which will:-

* Simplify the local funding system in line with DfE national expectation
* Support transparency and secure greater consistency and equivalence in how funding is distributed to post 16 providers by utilising one costing mechanism for both the Local Authority and all post 16 providers.
* Promote a student centred and driven funding system
* Provide real local choice
* Facilitate more accurate forecasting and data sharing with providers to support their forward planning
* Shape the local post 16 education market to meet the needs and aspirations of young people and their families

**Summary results of the findings**

The new funding arrangements represent significant changes for both Local Authorities and Colleges and there have been challenges for all parties.

Previous arrangements for post 16 education for learners with SEN were inconsistent, with different funding arrangements for schools and colleges. This was compounded by the increasing diversity of providers.

A key intention of the changes is to make funding more responsive to learner needs and their movement between different education providers. This involves a balance between providing a base level of funding that gives stability and recognises providers’ fixed costs, and funding that follows the learner.

The purpose of continuing education for learners with SEN post 19 has been clarified by the Department of Education as part of these changes. This is now clearly based on their assessed needs and ability to make further progress towards employment and/or independent living. This has not been clear in the past, and so may result in a change in entitlement for some learners.

The level of funding transferred from the Education Funding Agency to Local Authorities to meet these new responsibilities does not match current commitments for post 16 learners. It is anticipated that this is likely to become a capped budget for future funding.

This means that Local Authorities need to carefully control their allocation of post 16 funding, to ensure equity and sustainability given the likely rise in demand through the extension of the age range whilst the budget remains fixed and in order to demonstrate effective use of public money.

An illustration of the challenge of this for North East Lincolnshire Council is that, in the first requests for funding, the combined requests for funding from all North East Lincolnshire providers represented approximately 147% of the total allocated budget.

Requests for funding for learners for 2014/15 approached 200% of the allocated budget. Any overspends on post 16 provision have to be met from the general High Needs Funding allocation.

**Recommendation**

It is proposed that North East Lincolnshire Council adopts a commissioning approach by assessing need and developing costed specifications rather than responding, on an individual basis to requests from FE providers and schools.

It is recommended that North East Lincolnshire Council works with regional colleagues to develop a formula to be used to calculate the budget which will be attached to a post 16 High Needs Learner. It is intended that a draft proposal is available in October for consultation with stakeholders with a view to having an operational formula by the end of the autumn term

It is also proposed that NELC adopts 600 hours of provision per learner as its 'Local Offer'. This is in line with other FE provision. Where an increased level of activity is required, for social or care reasons, it is proposed that the young person’s personal budget is used to purchase provision which can be incorporated into the overall Education, Health and Care Plan.

The proposal will also include the intention to only allocate High Needs education funding for those learners who have demonstrated, through attainment results, an ability to make sufficient progress and benefit from continued education. Those young people who do not qualify for on-going education funding will be supported into adulthood by programmes to develop skills for life and independence funded by their personal budgets allocated from Adult Social Care.