

## MUNICIPAL YEAR 2016/2017 REPORT NO. 2

### MEETING TITLE AND DATE:

Schools Forum – 11 April 2016

### REPORT OF:

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Item: 4b

### Subject:

Post 16 High Needs Funding – Briefing

Wards: All

### 1. EXECUTIVE SUMMARY

The purpose of the paper is to provide background information in relation to the escalating costs that are being incurred by the local authority to maintain the expectations set out in Education, Health and Care Plans (EHCPs) for those learners aged 16 and above in 'further education'. The paper also provides information on the range of education settings that currently provide these supported places, the learner volumes and the associated cost to the High Needs budget. Further to this the report provides a range of actions for the Schools Forum to consider to attempt to control the overall financial pressure on the High Needs budget

### 2. RECOMMENDATIONS

To note and comment on the contents of this report.

### 3. Background

- 3.1 Post 16 High Needs Funding. The local authority receives funding from the DfE to support the full range of support costs associated with young people aged 16 – 25 who remain in education and training beyond 16. This funding forms a component of the Dedicated Schools Grant (DSG).

SEN learners either have an EHCP already or are in the process of converting their existing statement or Learning Difficulty Assessment (LDA) to an EHCP. From September 2016 high needs funding will only be allocated to learners who are in possession of an EHCP.

- 3.2 An indicative element of the High Needs Budget is set aside at the start of each financial year to cover post 16 High Needs Support in the following range of settings:

- General FE College
- School Sixth Forms (Academies and LA Maintained) and Sixth Form Colleges
- Training Providers (including Apprenticeships)
- Residential Colleges

Learners in Special Schools in or out of borough are not funded in this way and learners who receive three way funding confirmed by the Complex Issues Panel are not supported by this budget. Learners who are placed out of borough prior to 16 and continue out of borough are funded from a separate budget. Based on the findings from the review, the DfE confirmed that there would be no change to the funding arrangements for 2016/17. The current arrangements were developed as part of the introduction of the School Funding Reforms in April 2013.

3.3 The table below (AJ1) sets out the range of placements funded by this budget. This provides a three year trend to consider both the number and cost of the commissioned. Prior to this three year period Enfield supported a large number of learners in residential settings out of borough. This has been significantly reduced as local FE institutions have adapted provision to support SEN learners and young people and their families have realised the benefit of taking up local education programmes.

The EHCP process has brought to the attention of young people and parents an expectancy that education and training does not stop at 16 or 18. The Local Offer has acted to promote the local FE institutions and training provider based study programmes. The result of this expanded and improved local offer has been a large increase in the number of SEN learners being educated locally.

**Table AJ1 – Trend of High Needs Commissioned Places**

Institution	Type	2013/14		2014/15		2015/16	
College of Haringey, Enfield	FE	54	496,358	66	422,898	67	323,893
Barnet & Southgate College	FE	34	259,869	47	494,633	84	1,216,161
Capel Manor (NR)	Specialist	2	8,733	0	0	3	24,567
Herts Regional College	FE	2	31,990	1	21,360	1	27,360
Harrow College	FE	1	10,240	1	10,300	1	10,300
City & Islington	FE	1	10,804	1	7,747	0	
Westgate RSD (R)	Specialist	1	37,719	2	73,739	1	13,500
Tower Hamlets College	FE	0	0	1	8,400	0	
Oaklands College (NR)	Specialist	4	102,981	1	25,734	2	72,955
Skills for Work Service	Train	10	85,000	10	105,000	14	125,000
Harrington Scheme	Train	3	34,101	2	15,951	0	0
Derwen College (R)	Specialist	1	42,303	0	0	1	43,000
Sir George Monoux	SFC	0	0	0	0	2	10,420
Haringey Sixth Form	SFC	0	0	0	0	5	19,490
East Kent College	FE	1	17,208	1	25,734	0	0
Sheiling College	Specialist	1	68,701	2	184,172	1	65,000
Ambitious About Autism	Specialist	0	0	0	0	1	35,000
<b>TOTAL</b>		<b>115</b>	<b>1,206,007</b>	<b>135</b>	<b>1,395,668</b>	<b>183</b>	<b>1,986,726</b>
<b>Indicative DSG Budget</b>			<b>1,050,000</b>		<b>1,050,000</b>		<b>1,400,000</b>
<b>Price per place</b>			<b>10,500</b>		<b>10,340</b>		<b>10,850</b>

#### 4 Update

##### 4.1 Increased Costs

As you can see from the table above, the demand placed on the High Needs budget has created an over spend for the past three years despite allocating increased funding from the DSG at end of 2014/15. It is clear that encouraging SEN learners to stay local has not resulted in a reduction in the average cost per place (has in fact increased from £10,500 to £10,850). SEN Service Team suggest that larger numbers are converting from previous LDA and statements to EHCP's and the tendency is for learners to remain in education settings for longer than in previous years.

##### 4.2 Control Considerations

The pressure on the post 16 High Needs budget is unlikely to reduce in future years. It is therefore important therefore that we consider a high needs funding framework to help control

the financial implications on the DSG. I believe such a framework will also help provide an operational understanding of the 16-25 entitlement to education/training set out in the SEN Reforms. There are three areas of focus that can help control the pressure on the budget:

- Clarity of educational aspirations and outcomes within EHCPs/Duration of stay in education settings

Too often those supported as high needs learners remain in education beyond their expected stay working towards educational outcomes that are not time bound and with no clear progression beyond the immediate programme of study. It is vital that EHCP's provide that clarity around expected outcomes so that any continuation of study beyond the current programme is assessed.

Large numbers are currently working towards independent living skills and pre vocational skills. The expectation therefore should be that these learners move from education settings to either supported living/independent living or supported employment programmes at the end of their current programme. With this clarity at the start of the programme, providers need to build in the necessary transition during the final year of study.

The funding agency responsible for determining funding rules for 16-19 year olds (16-25 year for those with EHCP) is the Education Funding Agency (EFA). It is this agency that agrees the value of the programme funding (element1) allocated to all post 16 institutions. Each provider receives a level of programme funding based on the range of students supported and the type of programmes offered. Providers receive a value per learner determined on a lagged basis for all learners aged 16 and 17 years on a banded basis with the maximum band (Band 5) having a ceiling of 600 hours. For learners entering their third year of post 16 study the ceiling then becomes 495 hours (half way point between 450-540 hours). For all learners entering their third year of post 16 study the funding provided to institutions is weighted at 82.5% of the standard full time rate.

#### 4.3 Proposal

Accepting that the SEN cohort are commencing their FE study programmes often following two or three years of Post 16 support in Special Schools (aged 18+) it is proposed to cap high needs education support to three years in FE. This would therefore mean that learners would leave FE programmes at the end of academic year when they reach age 21 at the latest. Providing this funding framework will help all post 16 providers, including mainstream and Special Schools and IAG careers support to set out the necessary study programme and pathway aimed at achieving the desired outcome at 21. Around 25% of the high needs learners currently in FE settings are aged 21 and above. These are often those learners who have not achieved satisfactory educational progress and remain in education repeating entry/pre entry level programmes.

In a small number of cases learners who are making satisfactory progress and who it can be demonstrated will benefit from a further year in education can be supported in education beyond 21. Such cases include those learners preparing for employment and linked to supported internship, traineeship and or Apprenticeships.

- Clarity with all providers of education and training the acceptable margins regarding hourly rates charged for professional support

Enfield, working with other boroughs as part of the North London Strategic Alliance already works with providers to establish acceptable margins for common learner support costs. It is proposed that this is applied to all providers delivering high needs support.

- Clarity with regard to the maximum volume of hours that are to be supported in each academic year.

The main driver of High Needs Cost increases centres on the increasing tendency for study programmes to be costed on the basis of five day week education programmes. As previously mentioned, the EFA supports institutions delivering post 16 programmes up to a maximum of 600 planned education hours per academic year. This is based on the principle that a full time study programme (as set out in RPA legislation) is 540 hours but allows for students to be funded as if they were studying for 4 A level programmes (each given 150 hours recognition). SEN learners in the main will not be studying towards A level programmes but the funding institutions receive is on the basis that they fall in line with the full time definitions. It is therefore proposed that all post 16 study programmes developed for High Needs learners is capped at 600 hours per year. For the typical 38 week term this would allow for around 16 hours a week of education support.

The SEN Codes of Practice 0-25 years set out the following:

‘Where a young person has an EHCP, local authorities should consider the need to provide a full package of provision and support across education, health and care that covers 5 days a week, where it is appropriate to meet the young persons’ needs’

The above consideration predicates the need for care and health provision to complement the education offer that is capped at 16 hours a week. It is further expected that young people make full use of their personal budgets to consider other non-education based activities. At the moment almost all of the costs relating to high needs learners in FE settings are borne by education, regardless of the nature of the support.

The table below sets out the current average hours at each of the post 16 high needs settings. Roughly calculating these hours at 300 hours above the 600 hour threshold proposed would generate a saving in the region of £660,000 and would bring the total spend forecast in line with the indicative budget.

**Table AJ2 – Average Educational Hours Per Year**

	2015/16 av. Learner Programme Hours	Over programme	LEARNERS 15/16	
College of Haringey, Enfield	576	0	67	0
Barnet & Southgate College	840	240	84	20,160
Capel Manor (NR)	540	0	3	0
Herts Regional College	740	140	1	140
Harrow College	600	0	1	0
City & Islington	540	0	0	0
Westgate RSD (R)	1064	464	1	464
Tower Hamlets College	910	310	0	0
Oaklands College (NR)	1008	408	2	816
Skills for Work Service	720	120	14	1680
Harrington Scheme	860	260	0	0
Derwen College (R)	1110	410	1	410
Sir George Monoux	540	0	2	0
Haringey Sixth Form	540	0	5	0
East Kent College	720	120	0	0
Sheiling College	2546	1946	1	1946
Ambitious About Autism	1332	732	1	732
<b>Average</b>	<b>895</b>			<b>26,348</b>

At an average hourly rate of £25/hr the removal of 26,348 hours would generate savings of £658,700.