

FURTHER REFINEMENT OF ADDITIONAL FAMILY NEEDS FUNDING (AFN) AND HIGH LEVEL NEEDS FUNDING (HLN) PROCESSES

Purpose of the Report

1. To seek a decision from Schools Forum regarding recommendations for changes to be made to the allocation of Additional Family Needs (AFN) and High Level Needs (HLN) funding.

Information and Advice

2. Background

As from 1 April, 2013 the Government made changes to Special educational Needs & Disabilities (SEND) funding arrangements. The local implementation of these changes is described in the booklet 'Arrangements for accessing top-up funding for pupils with SEND in Nottinghamshire mainstream schools' attached as **Appendix 1**.

An aspect of these SEND funding reforms is the guidance that schools are expected to fund the first £6,000 of any individual pupil's special needs provision before approaching the Local Authority for additional funding. In Nottinghamshire, such pupils are supported via either Additional Family Needs (AFN) or High Level Needs (HLN) funding stream. Pupils eligible for these additional levels of funding are referred to in national guidance as 'High Needs' pupils.

Since the introduction of these funding reforms a number of schools have made the case that the notional element of their school's budget which is identified for making special needs provision is insufficient to enable them to allocate the multiples of £6,000 recommended for the number of identified High Needs pupils attending the school. In some cases this situation has occurred as a consequence of budgetary factors associated with small schools, and in other cases it has been a consequence of a school's inclusive practices resulting in parents choosing to place their High Needs child in a school other than their catchment school.

When introducing its SEND funding reforms the government anticipated this potential issue and provided local authorities with the facility to 'top slice' from its high needs funding block to make available additional discretionary funding to the very small number of schools where this was the case. To date, Nottinghamshire Local Authority has not availed itself of this facility.

Whilst the national funding reforms expect local authorities to make explicit to schools the element which is notionally available to make SEND provision, the guidance does not specify which factors are used to calculate the money available, nor the relative weightings of these factors. As from 1 April, 2015 the recommendation made to Schools Forum is that this notional SEND element is calculated as being the sum of 100% of three factors: Prior attainment, Looked After Children (LAC), and Deprivation. The calculation of a school's notional SEND element using these three factors has been made to identify the very small number of schools where additional discretionary funding is to be made; in comparator authorities, the equivalent calculation includes a percentage of the basic entitlement factor, resulting in a much higher notional SEND element to schools' budgets. Schools are not required to limit funding for SEND provision to the notional SEND amount identified in their overall budget.

A paper was presented to, and agreed by Schools Forum in December 2013 recommending changes to the formula used to allocate the AFN and Family Network Funding (FNF). This included the recommendation that the minimum level of AFN funding (AFN low) should fall in the band £2,000 to £4,000. It follows that the total number of pupils deemed to be High Needs pupils can be calculated as all pupils receiving either HLN funding, or AFN funding which is at least £2,000 per annum.

This paper proposes a model whereby the Local Authority provides additional SEND money to those schools whose notional SEND budget element is not currently sufficient to fund the multiples of £6,000 that they would be expected to spend on identified High Needs pupils who attend the school. **Appendix 2** shows the number of schools where this was the case when the proposal is modelled using 2013-14 pupil and budget figures. It shows:

- there would have been 41 schools where the notional SEND element was less than the number of identified High Needs pupils x £6,000
- the shortfall in funding by school
- the cost of funding the overall shortfall would have been £245,839
- this overall shortfall represents 1.9% of the total AFN/FNF/HLN budget for 2013-14 which was £12,612,440

3. The model being proposed

- (i) The notional SEND element of each school's budget is defined as the sum of three of the factors which are used to determine the school's overall budget, namely Prior attainment, Deprivation, and Looked After Children (LAC)
- (ii) The number of High Needs pupils attending the school is calculated as the number of pupils for whom either HLN or AFN funding has been agreed, with the level of AFN funding being no lower than £2,000 per annum. The number of pupils for whom this is the case will be determined from the returns sent by schools to SEND Policy & Provision by each February.
- (iii) Funding is provided as an additional annual allocation directly to those schools where there is a shortfall between the notional SEND element of their school budget and the number of identified High Needs pupils multiplied by £6,000. This additional funding would be provided by the end of the summer term once the calculations have been made, and would not be affected by any movement of pupils between schools mid-year.
- (iv) This additional funding is provided from the increase in the High Needs allocation made to the Local Authority for the 2015-16 financial year, thereby increasing the size of the

AFN/FNF/HLN budgets. In subsequent years, the funding of this facility is provided from a top-slice to the AFN/FNF/HLN budgets before allocations are made to schools and Families of Schools at the beginning of the financial year.

RECOMMENDATIONS

That the Schools Forum:

- 1) approves recommendations i) – iv) as described in this report

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