

SCHOOLS FORUM

Meeting date: 29th October 2019

**From: Daniel Barton
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SEN INCLUSION FUNDING 2019-20

1.0 EXECUTIVE SUMMARY

1.1 This paper proposes an increase to the SEN Inclusion Fund from £0.260m to £0.308m in 2019-20 to widen the accessibility of the fund to all early years providers including maintained nursery schools following a review of the maintained nursery schools' current funding system. This paper was presented to the Schools Forum HN Working Group on 18th September 2019.

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

2.1 The utilisation of the early years block within the Dedicated Schools Grant is supportive of the Council Plan outcome that 'People in Cumbria are healthy and safe'.

3.0 RECOMMENDATION

3.1 The Schools Forum is recommended to note the contents of this paper and the proposed increase to the SEN Inclusion Fund from £0.260m by £0.048m to £0.308m.

3.2 The Schools Forum is also asked to note the proposed changes to the allocation methodology to widen the number of children supported by the fund which is being piloted from 1st September 2019 to 31st March 2020 and which is proposed to become policy from 1st April 2020, subject to the outcome of full consultation with all early years providers early in the new year.

4.0 BACKGROUND

4.1 At the Schools Forum meeting on 16th January 2019 representatives were informed of the Dedicated Schools Grant budget for 2019-20 and two significant changes to the Maintained Nursery Schools (MNS) sector funding

system, namely that from 2019-20 MNS sector must be paid a universal base rate in line other early years providers within Cumbria and the withdrawal of Resourced Provision place funding with effect from 1st September 2019 in line with the DfE HN operational guidance.

- 4.2 In order to support the MNS sector transition to the universal base rate of £4.00 per hour (a reduction of £0.70 against the current MNS base rate) the DfE have provided additional supplementary funding. The provisional allocation for financial year 2019-20 was £0.485m and this grant has now been updated to reflect the January 2019 census data and has increased by £0.048m to £0.533m. The supplementary funding for MNS sector has only been guaranteed by the DfE until August 2020.
- 4.3 As previously reported to SF representatives on 16th January 2019, MNS sector were, until 2019-20, allocated two RP places each at £10,000 per place to use to support their pupils with SEN. However, as the MNS sector do not have designated RP units, the High Needs operational guidance states that RP place funding does not apply to nursery schools and to ensure consistency across early years providers the MNS sector were informed that this funding would be withdrawn from 1st September 2019. However, they would continue to receive funding for pupils with more complex needs through the High Needs EHCP top-up system in line with all early years providers and would be able to access the SEN Inclusion Fund which is fully funded from the Early Years Block and supports low and emerging SEN along with all other early years providers. Currently PVIs and early years provision in primary schools are funded on the same basis as the MNS sector however they do not have access to Resourced Provision funding or the supplementary MNS grant.
- 4.4 Following the withdrawal of the RP funding from 1st September 2019 there has been strong opposition from the MNS sector. Although the MNS sector do not have RP units they have formerly used the funding available to support 2, 3 and 4 year olds with SEN but without an EHCP to access high quality nursery provision and parents have been able to make a clear choice between accessing provision in a mainstream nursery setting or a special school. Children identified as having SEN before their second birthday have been referred to the MNS sector by health professionals and local authority officers. The LA recognises the expertise, quality and impact of what MNS sector do at an early stage of a child's development and wants to support this. As the RP funding has been available to them they have not been accessing the SEN Inclusion Fund alongside other early years providers.
- 4.5 It is recognised that the MNS sector need time to adjust their budgets and transition to the withdrawal of the RP funding from 1st September 2019 and that we also need an effective system in place to manage SEN before assessment and issue of an EHCP that complies with operational guidance; that all early years providers can access and is allocated on a fair and equitable basis. Local authorities are required to have an SEN Inclusion Fund for 3 and 4 year olds with SEN who are taking up the free entitlements and the Early Years National Funding Formula guidance states that the majority of the SEN Inclusion fund should pass to providers in the form of grants on a case-by-case basis. Local Authorities can also use part of the SEN Inclusion Fund to support specialist SEN services in their local area.

The SEN Inclusion Fund can be funded by the Early Years and/or the High Needs Block and can also include support for two year olds with SEN. The SEN Inclusion Fund was first introduced in 2017-18 and since its introduction has been set at £0.260m each year and has historically been underspent. In 2019-20 the budget is predicted to underspend by £0.117m before the impact of the pilot as detailed in para 4.6.

- 4.6 It is proposed to increase the SEN Inclusion Fund by £0.048m in 2019-20, this will be funded through the Early Years Block and reflects the increase in the MNS supplementary grant which was not budgeted for when the Early Years Block budget for 2019-20 was initially set as detailed in para 4.2. Alongside this proposal, to ensure that the all early years providers have access to the necessary funds needed to support pupils with SEN before the EHCP top-up system activates, it is proposed that the criteria for accessing the SEN Inclusion Fund is widened and piloted for 6 months with effect from 1st September 2019. If the pilot is successful, it is intended that all early years providers will be consulted on the proposed change in early January. These changes will enable MNS sector to access the same level of funding based on individual pupils needs that they formally received through the RP place funding mechanism until it was withdrawn with effect from 1st September 2019 to continue to support their pupils with SEN until 31st March 2020 only. Also, because nursery schools fall into the ongoing RP consultation and are part of the consultation process this change will bring them into line with the RP timescale. From 2020-21, it is proposed subject to consultation, all early years providers, including the MNS sector will access the fund on the basis of the new proposed criteria as detailed below.
- 4.7 The current criteria for allocating SEN Inclusion Funding for two, three and four year olds accessing free entitlement is as follows:
- £1,000 one-off payment for each pupil being assessed for an EHCP;
 - £600 one-off payment for each pupil not being issued with an EHCP after assessment;
 - £600 one-off payment for each pupil entitled to Disability Living Allowance if not issued with an EHCP.
- 4.8 In addition to the above current criteria and to widen the scope of eligibility and increase the number of children supported by the fund:
- Up to £500 short term funding for children identified as Band 4 and 5 using Early Years criteria following LA SENCO recommendation prior to preparation for a request for an EHCP assessment;
 - Up to £300 short term early intervention funding for children identified as Band 3 or below following LA SENCO recommendation.
- 4.9 The financial impact analysis of this change is as follows:
- It is estimated that 12 children could be eligible for £500 Band 4 and 5 and 200 children could be eligible for £300. This will increase the funding allocated by £0.066m during the pilot phase to end 31st March 2020.

4.10 It is recognised that from 2020-21 there is a significant amount of uncertainty about MNS sector funding levels, in particular, the requirement for the MNS sector to be funded on the same basis as other early year providers despite their higher running costs in terms of the requirement that each MNS must have a full time Headteacher and qualified teaching staff and the unconfirmed position on the continuance of the MNS supplementary funding after August 2020. It is clear that in light of these changes MNS sector will need to review their budget plans in order to reduce their expenditure and transition to the anticipated lower funding levels in order to be financially sustainable going forward. To assist MNS sector in this process they have been offered the opportunity of a financial health check by an accredited School Resource Management Advisor (SRMA) on a rolling basis, which has been welcomed by the nursery Headteachers.

5.0 OPTIONS

5.1 The Schools Forum is asked to note the contents of this paper, the proposed increase in the SEN Inclusion Fund from £0.260m to £0.308m and the change in the allocation methodology to widen the eligibility criteria during the pilot phase September 2019 to March 2020.

6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

6.1 6.2 Increasing the funding available for low and emerging SEN through the Early Years Block and widening the eligibility criteria will increase support for children with SEN identified at an early stage and will lead to a longer-term reduction in the complexity of support needed at a later stage of a child's education. The increase in the SEN Inclusion will be funded from the Early Years Block which has been historically underspent.

7.0 CONCLUSION

7.1 The Schools Forum is asked to note this report which sets out the proposed increase to the SEN Inclusion Fund in 2019-20 in support of the MNS and to widen the eligibility criteria to increase support for children with SEN at an early stage.

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