

<b>Committee:</b>	Schools Forum
<b>Meeting Date:</b>	14 <sup>th</sup> January 2019
<b>Title:</b>	Introducing A New High Needs Funding System in Suffolk – Proposals for Transitional Support Arrangements
<b>Author:</b>	Nathan Jones
<b>Decision making / consultative / information:</b>	Consultation
<b>Who can vote?</b>	All members can comment on this proposal

### What is the Forum being asked to decide?

1. To consider the case for supporting an accelerated approach to transitioning specialist settings in Suffolk from the current to the new high needs top up funding model, rather than using the national minimum funding guarantee that would be too slow to implement a fair and equitable outcome for all learners and providers.
2. To agree to the principle of disapplication from the 1.5% MFG to support the more rapid movement to a system of equitable allocation of funds to support children and young people of Suffolk irrespective of where they live and what school they attend, with a recommendation of a 5-year migration period.
3. To propose that a similar level of transitional protection is applied to Pupil Referral Units, but not to post-16 providers.
4. Dependant on the views of Forum regarding the above, to agree the support of Forum regarding a submission to the Education and Skills Funding Agency (ESFA) for a disapplication of the minimum funding guarantee and the implementation of the arrangements supported by Forum instead.

### Reason for recommendation

5. Due to the current significant disparity in top up funding rates between specialist providers, the introduction of the new funding system for high needs top up would take well over a decade to implement unless an agreement is reached regarding an accelerated transitional arrangement and an application is made to the ESFA for a disapplication of the minimum funding guarantee to enable this.

### **Alternative options**

6. The alternative option would be to implement the arrangements for transition as per national guidance. This would mean applying the minimum funding guarantee for schools of a maximum movement of 1.5% per annum which would take many years to implement and no transitional protection for pupil referral units. This would have the respective disadvantages of being very slow to impact for some parts of the system and creating financial shock and instability in other parts.

### **Who will be affected by this decision?**

7. All specialist education providers in Suffolk. This includes special schools, pupil referral units and post-16 providers.

## Main body of the Report

### Introduction and Context

8. Suffolk County council have proposed, consulted on and adopted a new mechanism for the allocation of Top Up funding for learners with SEND. Prior to the new system's implementation, allocation was driven by provision as opposed to individual children and young people's needs. This resulted in a wide and varied funding allocation system creating funding challenges for children and young people moving across provision and driving a system of unequitable funding.
9. Implementation of the new system began in September 2018, with work being undertaken across all mainstream settings to moderate the allocation of top up funding for the 4,000 children and young people eligible for high needs funding, with each case being reviewed in detail to allocate them onto the new banding matrix.
10. Due to the volume of children and young people moving from the old system to the new system, the decision was taken to split the transfer from the old approach to the new system over a two-year period with children and young people accessing specialist provision transferring in September 2019. This paper relates to this second phase of transition.
11. The Education and Skills Funding Agency released the High Needs Funding 2019 – 2020 Operational Guide in September 2018; this details the requirement for Local Authorities undertaking changes to funding levels for Special Schools to work within the parameters of a 0.5% to 1.5% minimum funding guarantee (MFG).
12. The guidance goes on to state:

*“Where a local reorganisation takes place and there are changes to banding, the 2018 – 2019 pupil numbers and types of each school should be attributed as far as possible to the new bandings in order to assess whether any special school loses more than the MFG set by the local authority in 2019 to 2020. If the MFG is breached and the local authority proposes to fund below the guaranteed level, the local authority should apply for an exemption to the MFG using the disapplication request form. Any such request will be expected to have the agreement of the local schools forum and the schools concerned.” (ESFA High Needs Funding 2019 – 2020 Operational Guidance September 2018).*

13. If we apply the minimum funding guarantee as set out in the national guidance it is projected that it will take up to 14 years for the most significant outlier special school to be transferred onto the new funding system. This applies to those schools at the extremes with both reduced and increased funding. The table uses current estimates to illustrate this.

School	2108-19 SCC Budget	New Bandings SCC Budget	Difference	% Difference	1	2	3	4	5	6	7	8	9	10	11	12	13	14
A	2,367,107	2,380,635	13,528.00	1%	2,430,635													
B	1,895,683	1,794,534	-101,149.00	-5%	1,867,248	1,844,534			-									
C	2,644,959	2,364,515	-280,444.00	-11%	2,605,285	2,566,205	2,527,712	2,489,797	2,452,450	2,415,662.89	2,594,514							
D	2,120,150	2,615,632	495,482.00	23%	2,151,952	2,184,232	2,216,995	2,250,250	2,284,004	2,318,264	2,353,038	2,388,333	2,424,158	2,460,521	2,497,428	2,534,890	2,572,913	2,611,507
E	1,228,000	1,086,100	-141,900.00	-12%	1,209,580	1,191,436	1,173,565	1,155,961	1,138,622	1,121,543	1,104,719	1,086,100						
F	1,965,590	2,061,706	96,116.00	5%	1,995,074	2,025,000	2,145,894											
G	2,950,008	2,589,852	-360,156.20	-12%	2,905,758	2,862,172	2,819,239	2,776,951	2,735,296	2,694,267	2,653,853	2,614,045						
H	3,572,240	3,486,150	-86,090.00	-2%	3,518,656	3,465,877	3,511,482											
I	1,691,648	1,595,281	-96,367.00	-6%	1,666,273	1,641,279	1,616,660	1,631,628										
J	1,247,500	1,056,250	-191,250.00	-15%	1,228,788	1,210,356	1,192,200	1,174,317	1,156,703	1,139,352	1,122,262	1,105,428	1,088,846	1,072,514	1,056,426			
	21,682,885.20	21,030,655.00	-652,230.20	-3.0%														

14. It was agreed at the July 2018 meeting of Schools' Forum that to implement the changes to top up funding at such a slow rate was not in the best interest of pupils and providers, and officers were therefore asked to model alternative approaches to transitioning providers from their current funding rates for top up to the new model. We are therefore seeking the advice of Forum on the alternative approaches set out below and if an accelerated approach is agreed as the best option for Suffolk children with SEND, we are also seeking the agreement from the Schools' Forum to support a request to the ESFA for disapplication from the 1.5% MFG.
15. On the advice of the High Needs Working Group, officers have undertaken modelling to demonstrate the impact of an accelerated model for transitional protection over 3,4 and 5 years for schools. The working group has also considered proposals for other types of settings and these too are presented below for consideration.
16. It should be noted that the MFG applies for commissioning of a like for like offer in terms of volumes and also type of placement and refers to impact on the whole school budget. The council will also use its role as a commissioner to negotiate funding outcomes that accelerate progress to the new model where numbers of learners increase or the profile of children in the institution changes. The projections below assume no growth in the numbers of children attending provision.

## **Proposals for Accelerated Implementation of the New Top Up Funding Model**

### **Special Schools**

17. For Special Schools the national minimum funding guarantee applies unless a disapplication is sought. Tables below, through a modelled process, illustrate the potential impact on school budgets of applying a transition over 3,4 and 5 years. These tables are modelled tables based on currently held data - two approaches are illustrated. The first (table 1) applies the 1.5% MFG first where this will transition the school to the new model in the time available and only applies further transitional protection in cases where this will not be achieved within either 3, 4, 5 years accordingly; the second (table 2) spreads the transition for all schools across either the 3, 4, or 5-year period equally. The first approach will achieve the swiftest transfer, while the second will provide a more even transition for all schools.
18. Methodology for calculating the figures: Data was secured from Suffolk County Council's school funding team to inform the modelling process. This included the number of commissioned places for each school in scope. Along with the actual top up

allocation for the 18/19 academic year. Of note, the two special schools that provide residential provision have had residential income removed from the modelling, ongoing work is being undertaken with these providers outside the remit of this process. In order to model the level of allocation as Special schools move from the old banding system to the new system, a desk top exercise was undertaken to ascertain the number of students who would receive an allocation based on the new banding descriptors across bands D, E,F,G and H. A sample of young people sitting at each of the old banding allocations within each school were considered against the new banding descriptors and scaled up to take into account all children and young people in scope. The percentage of children and young people sitting in each of the new bands was secured and this was used to model the number of young people on each of the new bandings to take into account the rise in student numbers between 17/18 and 18/19, these figures are illustrated below. Please note all figures are still illustrative at this stage until all pupils in special schools have been assessed for new bands.

19. No children or young people that could potentially receive a band I allocation have been reflected in the modelling due to the bespoke nature of this allocation. It is envisaged that a small number of children and young people will fall into the Band I category, this will only become apparent once the formal transition from old to new banding has been undertaken through the audit during February. Allocations at Band I are likely to see the level of Top Up allocation increase as the bespoke nature of support is identified for the most complex learners.
20. If the Schools' Forum support these proposals the next step would be to individually consult each Special School affected by the disapplication to gain individual institutional agreement to secure disapplication from the MFG process as set out in the ESFA funding guidance. This individual consultation will only be undertaken once formal work has been completed to transfer the school's student population from the old banding system to the new system and therefore confirmed financial information can be provided. This work has already started and will be completed by the end of February. This will ensure the LA consults the right schools and will allow heads/chief executives to make a fully informed decision on the position of their school, based on real data as opposed to modelled data.
21. It has been requested by Special Heads sitting on the High Needs Working Group that the LA undertake a review of its dual placement policy and approach as the current system creates significant challenges. The LA will undertake this review once other aspects of the current programme of work relating to the introduction of the new high needs funding system is completed.

Table 1. Indicative modelling of a 5,4 and 3 years MFG approach with 1.5% MFG as minimum movement for special schools

School	2018-19 SCC Budget	New Bandings SCC Budget	Difference	% Difference		1	2	3	4	5
A	2,367,107	2,380,635	13,528.00	1%		2,369,812.60	2,372,518.20	2,375,223.80	2,377,929.40	2,380,635.00
B	1,895,683	1,794,534	- 101,149.00	-5%		1,875,453.20	1,855,223.40	1,834,993.60	1,814,763.80	1,794,534.00
C	2,644,959	2,364,515	- 280,444.00	-11%		2,588,870.20	2,532,781.40	2,476,692.60	2,420,603.80	2,364,515.00
D	2,120,150	2,615,632	495,482.00	23%		2,219,246.40	2,318,342.80	2,417,439.20	2,516,535.60	2,615,632.00
E	1,228,000	1,086,100	- 141,900.00	-12%	-	1,199,620.00	1,171,240.00	1,142,860.00	1,114,480.00	1,086,100.00
F	1,965,590	2,061,706	96,116.00	5%		1,984,813.20	2,004,036.40	2,023,259.60	2,042,482.80	2,061,706.00
G	2,950,008	2,589,852	- 360,156.20	-12%		2,877,976.96	2,805,945.72	2,733,914.48	2,661,883.24	2,589,852.00
H	3,572,240	3,486,150	- 86,090.00	-2%		3,555,022.00	3,537,804.00	3,520,586.00	3,503,368.00	3,486,150.00
I	1,691,648	1,595,281	- 96,367.00	-6%		1,672,374.60	1,653,101.20	1,633,827.80	1,614,554.40	1,595,281.00
J	1,247,500	1,056,250	- 191,250.00	-15%		1,209,250.00	1,171,000.00	1,132,750.00	1,094,500.00	1,056,250.00
	21,682,885.20	21,030,655.00	- 652,230.20	-3.0%						
						Difference to reach the new budget spread over 4 years				
School	2018-19 SCC Budget	New Bandings SCC Budget	Difference	% Difference		1	2	3	4	
A	2,367,107	2,380,635	13,528.00	1%		2,370,489.00	2,373,871.00	2,377,253.00	2,380,635.00	
B	1,895,683	1,794,534	- 101,149.00	-5%		1,870,395.75	1,845,108.50	1,819,821.25	1,794,534.00	
C	2,644,959	2,364,515	- 280,444.00	-11%		2,574,848.00	2,504,737.00	2,434,626.00	2,364,515.00	
D	2,120,150	2,615,632	495,482.00	23%		2,244,020.50	2,367,891.00	2,491,761.50	2,615,632.00	
E	1,228,000	1,086,100	- 141,900.00	-12%	-	1,192,525.00	1,157,050.00	1,121,575.00	1,086,100.00	-
F	1,965,590	2,061,706	96,116.00	5%		1,989,619.00	2,013,648.00	2,037,677.00	2,061,706.00	
G	2,950,008	2,589,852	- 360,156.20	-12%		2,859,969.15	2,769,930.10	2,679,891.05	2,589,852.00	
H	3,572,240	3,486,150	- 86,090.00	-2%		3,550,717.50	3,529,195.00	3,507,672.50	3,486,150.00	
I	1,691,648	1,595,281	- 96,367.00	-6%		1,667,556.25	1,643,464.50	1,619,372.75	1,595,281.00	
J	1,247,500	1,056,250	- 191,250.00	-15%		1,199,687.50	1,151,875.00	1,104,062.50	1,056,250.00	
	21,682,885	21,030,655	- 652,230.20	0						
						Difference to reach the new budget over 3 years				
School	2018-19 SCC Budget	New Bandings SCC Budget	Difference	% Difference		1	2	3		
A	2,367,107	2,380,635	13,528.00	1%		2,371,616.33	2,376,125.67	2,380,635.00		
B	1,895,683	1,794,534	- 101,149.00	-5%		1,861,966.67	1,828,250.33	1,794,534.00		
C	2,644,959	2,364,515	- 280,444.00	-11%		2,551,477.67	2,457,996.33	2,364,515.00		
D	2,120,150	2,615,632	495,482.00	23%		2,285,310.67	2,450,471.33	2,615,632.00		
E	1,228,000	1,086,100	- 141,900.00	-12%		1,180,700.00	1,133,400.00	1,086,100.00		
F	1,965,590	2,061,706	96,116.00	5%		1,997,628.67	2,029,667.33	2,061,706.00		
G	2,950,008	2,589,852	- 360,156.20	-12%		2,829,956.13	2,709,904.07	2,589,852.00		
H	3,572,240	3,486,150	- 86,090.00	-2%		3,543,543.33	3,514,846.67	3,486,150.00		
I	1,691,648	1,595,281	- 96,367.00	-6%		1,659,525.67	1,627,403.33	1,595,281.00		
J	1,247,500	1,056,250	- 191,250.00	-15%		1,183,750.00	1,120,000.00	1,056,250.00		
	21,682,885	21,030,655	- 652,230.20	0						

Table 2. Indicative modelling of a 5,4 and 3 years approach spreading the transition equally across the years

School	2018-19 SCC Budget	New Bandings SCC Budget	Difference	% Difference		1	2	3	4	5
A	2,367,107	2,380,635	13,528.00	1%		2,369,812.60	2,372,518.20	2,375,223.80	2,377,929.40	2,380,635.00
B	1,895,683	1,794,534	- 101,149.00	-5%		1,875,453.20	1,855,223.40	1,834,993.60	1,814,763.80	1,794,534.00
C	2,644,959	2,364,515	- 280,444.00	-11%		2,588,870.20	2,532,781.40	2,476,692.60	2,420,603.80	2,364,515.00
D	2,120,150	2,615,632	495,482.00	23%		2,219,246.40	2,318,342.80	2,417,439.20	2,516,535.60	2,615,632.00
E	1,228,000	1,086,100	- 141,900.00	-12%	-	1,199,620.00	1,171,240.00	1,142,860.00	1,114,480.00	1,086,100.00
F	1,965,590	2,061,706	96,116.00	5%		1,984,813.20	2,004,036.40	2,023,259.60	2,042,482.80	2,061,706.00
G	2,950,008	2,589,852	- 360,156.20	-12%		2,877,976.96	2,805,945.72	2,733,914.48	2,661,883.24	2,589,852.00
H	3,572,240	3,486,150	- 86,090.00	-2%		3,555,022.00	3,537,804.00	3,520,586.00	3,503,368.00	3,486,150.00
I	1,691,648	1,595,281	- 96,367.00	-6%		1,672,374.60	1,653,101.20	1,633,827.80	1,614,554.40	1,595,281.00
J	1,247,500	1,056,250	- 191,250.00	-15%		1,209,250.00	1,171,000.00	1,132,750.00	1,094,500.00	1,056,250.00
	21,682,885.20	21,030,655.00	- 652,230.20	-3.0%						
						Difference to reach the new budget spread over 4 years				
School	2018-19 SCC Budget	New Bandings SCC Budget	Difference	% Difference		1	2	3	4	
A	2,367,107	2,380,635	13,528.00	1%		2,370,489.00	2,373,871.00	2,377,253.00	2,380,635.00	
B	1,895,683	1,794,534	- 101,149.00	-5%		1,870,395.75	1,845,108.50	1,819,821.25	1,794,534.00	
C	2,644,959	2,364,515	- 280,444.00	-11%		2,574,848.00	2,504,737.00	2,434,626.00	2,364,515.00	
D	2,120,150	2,615,632	495,482.00	23%		2,244,020.50	2,367,891.00	2,491,761.50	2,615,632.00	
E	1,228,000	1,086,100	- 141,900.00	-12%	-	1,192,525.00	1,157,050.00	1,121,575.00	1,086,100.00	-
F	1,965,590	2,061,706	96,116.00	5%		1,989,619.00	2,013,648.00	2,037,677.00	2,061,706.00	
G	2,950,008	2,589,852	- 360,156.20	-12%		2,859,969.15	2,769,930.10	2,679,891.05	2,589,852.00	
H	3,572,240	3,486,150	- 86,090.00	-2%		3,550,717.50	3,529,195.00	3,507,672.50	3,486,150.00	
I	1,691,648	1,595,281	- 96,367.00	-6%		1,667,556.25	1,643,464.50	1,619,372.75	1,595,281.00	
J	1,247,500	1,056,250	- 191,250.00	-15%		1,199,687.50	1,151,875.00	1,104,062.50	1,056,250.00	
	21,682,885	21,030,655	- 652,230.20	0						
						Difference to reach the new budget over 3 years				
School	2018-19 SCC Budget	New Bandings SCC Budget	Difference	% Difference		1	2	3		
A	2,367,107	2,380,635	13,528.00	1%		2,371,616.33	2,376,125.67	2,380,635.00		
B	1,895,683	1,794,534	- 101,149.00	-5%		1,861,966.67	1,828,250.33	1,794,534.00		
C	2,644,959	2,364,515	- 280,444.00	-11%		2,551,477.67	2,457,996.33	2,364,515.00		
D	2,120,150	2,615,632	495,482.00	23%		2,285,310.67	2,450,471.33	2,615,632.00		
E	1,228,000	1,086,100	- 141,900.00	-12%		1,180,700.00	1,133,400.00	1,086,100.00		
F	1,965,590	2,061,706	96,116.00	5%		1,997,628.67	2,029,667.33	2,061,706.00		
G	2,950,008	2,589,852	- 360,156.20	-12%		2,829,956.13	2,709,904.07	2,589,852.00		
H	3,572,240	3,486,150	- 86,090.00	-2%		3,543,543.33	3,514,846.67	3,486,150.00		
I	1,691,648	1,595,281	- 96,367.00	-6%		1,659,525.67	1,627,403.33	1,595,281.00		
J	1,247,500	1,056,250	- 191,250.00	-15%		1,183,750.00	1,120,000.00	1,056,250.00		
	21,682,885	21,030,655	- 652,230.20	0						

22. Forum is asked to note that the Local Authority recommends a 5 year transition period as its preferred option to put forward the ESFA. This would give those affected by a reduction in funds sufficient time to plan and implement new arrangements to manage within a reduced budget while also accelerating the transfer of additional funds to underfunded providers at a reasonable rate.

### **Pupil Referral Units (PRUs)**

23. While the ESFA High Needs Funding 2019 – 2020 Operational Guidance September 2018 details a requirement to offer an MFG for special schools, this is not extended to PRUs. However, on the advice of the High Needs Working Group, it is recommended that transitional protection will be needed to ensure the stability of provision in our PRUs over this period of change, as there will be a considerable reduction in funding to PRUs through this new approach. It is therefore recommended by the High Needs Working Group that Forum consider similar models to that proposed for Special Schools and advise on whether a transition should be provided over 3,4 or 5 years within the PRU sector. It should be noted that this decision is within the Council's local jurisdiction and will not need a disapplication to implement. The LA recommends that the same time period of transition should apply to the PRU sector as agreed for the special school sector. The tables below illustrate a combination of the two approaches used for special schools.

24. Prior to the modelling of PRU budgets officers undertook work directly with PRU staff. A sample cohort of young people were considered against the new banding descriptors. Following this work, it was concluded that a 75% and 25% split at band G and H should be used to model the level of top up under the new banding system. This recommendation was reached in light of the current profile of learner accessing our PRU settings, a significant number of which could be considered appropriate for an SEMH school. Further Work will be undertaken in March to confirm the final bandings for children and young people accessing PRUs.

Table 3. Indicative illustration of whole provision funding moving from old to new funding system for PRUs

	old funding allocaion	New Funding allocation	Difference	% Difference
A	432,001.00	507,000.00	74,999.00	17%
B	1,444,266.00	1,056,250.00	- 388,016.00	-27%
C	318,398.00	253,500.00	- 64,898.00	-20%
D	689,985.00	507,000.00	- 182,985.00	-27%
E	928,423.00	971,750.00	43,327.00	5%
F	634,151.00	507,000.00	- 127,151.00	-20%
G	608,888.00	422,500.00	- 186,388.00	-31%
H	316,426.00	253,500.00	- 62,926.00	-20%
I	1,227,623.00	1,267,500.00	39,877.00	3%
J	318,398.00	253,500.00	- 64,898.00	-20%
K	2,006,692.00	1,901,250.00	- 105,442.00	-5%
L	576,036.00	676,000.00	99,964.00	17%
M	732,811.00	507,000.00	- 225,811.00	-31%

Table 4. Indicative modelling of a 5-year MFG approach with 1.5% MFG as minimum movement

	Year 1	Year 2	Year 3	Year 4	Year 5
A	447,000.80	462,000.60	477,000.40	492,000.20	507,000.00
B	1,366,662.80	1,289,059.60	1,211,456.40	1,133,853.20	1,056,250.00
C	305,418.40	292,438.80	279,459.20	266,479.60	253,500.00
D	653,388.00	616,791.00	580,194.00	543,597.00	507,000.00
E	942,349.35	956,484.59	971,750.00		
F	608,720.80	583,290.60	557,860.40	532,430.20	507,000.00
G	571,610.40	534,332.80	497,055.20	459,777.60	422,500.00
H	303,840.80	291,255.60	278,670.40	266,085.20	253,500.00
I	1,246,037.35	1,267,500.00			
J	305,418.40	292,438.80	279,459.20	266,479.60	253,500.00
K	1,976,591.62	1,946,942.75	1,917,738.60	1,901,250.00	
L	596,028.80	616,021.60	636,014.40	656,007.20	676,000.00
M	687,648.80	642,486.60	597,324.40	552,162.20	507,000.00

Indicative modelling of a 4-year MFG approach with 1.5% MFG as minimum movement

	Year 1	Year 2	Year 3	Year 4
A	450,750.75	469,500.50	488,250.25	507,000.00
B	1,347,262.00	1,250,258.00	1,153,254.00	1,056,250.00
C	302,173.50	285,949.00	269,724.50	253,500.00
D	644,238.75	598,492.50	552,746.25	507,000.00
E	942,349.35	956,484.59	971,750.00	
F	602,363.25	570,575.50	538,787.75	507,000.00
G	562,291.00	515,694.00	469,097.00	422,500.00
H	300,694.50	284,963.00	269,231.50	253,500.00
I	1,246,037.35	1,267,500.00		
J	302,173.50	285,949.00	269,724.50	253,500.00
K	1,976,591.62	1,946,942.75	1,917,738.60	1,901,250.00
L	601,027.00	626,018.00	651,009.00	676,000.00
M	676,358.25	619,905.50	563,452.75	507,000.00

Indicative modelling of a 3-year MFG approach with 1.5% MFG as minimum movement

	Year 1	Year 2	Year 3
A	457,000.67	482,000.33	507,000.00
B	1,314,927.33	1,185,588.67	1,056,250.00
C	296,765.33	275,132.67	253,500.00
D	628,990.00	567,995.00	507,000.00
E	942,349.35	956,484.59	971,750.00
F	591,767.33	549,383.67	507,000.00
G	546,758.67	484,629.33	422,500.00
H	295,450.67	274,475.33	253,500.00
I	1,246,037.35	1,267,500.00	
J	296,765.33	275,132.67	253,500.00
K	1,971,544.67	1,936,397.33	1,901,250.00
L	609,357.33	642,678.67	676,000.00
M	657,540.67	582,270.33	507,000.00

Table 3. Indicative modelling of a 5-year MFG approach

	Year 1	Year 2	Year 3	Year 4	Year 5
A	447,000.80	462,000.60	477,000.40	492,000.20	507,000.00
B	1,366,662.80	1,289,059.60	1,211,456.40	1,133,853.20	1,056,250.00
C	305,418.40	292,438.80	279,459.20	266,479.60	253,500.00
D	653,388.00	616,791.00	580,194.00	543,597.00	507,000.00
E	937,088.40	945,753.80	954,419.20	963,084.60	971,750.00
F	608,720.80	583,290.60	557,860.40	532,430.20	507,000.00
G	571,610.40	534,332.80	497,055.20	459,777.60	422,500.00
H	303,840.80	291,255.60	278,670.40	266,085.20	253,500.00
I	1,235,598.40	1,243,573.80	1,251,549.20	1,259,524.60	1,267,500.00
J	305,418.40	292,438.80	279,459.20	266,479.60	253,500.00
K	1,985,603.60	1,964,515.20	1,943,426.80	1,922,338.40	1,901,250.00
L	596,028.80	616,021.60	636,014.40	656,007.20	676,000.00
M	687,648.80	642,486.60	597,324.40	552,162.20	507,000.00

Indicative modelling of a 4-year MFG approach

	Year 1	Year 2	Year 3	Year 4
A	450,750.75	469,500.50	488,250.25	507,000.00
B	1,347,262.00	1,250,258.00	1,153,254.00	1,056,250.00
C	302,173.50	285,949.00	269,724.50	253,500.00
D	644,238.75	598,492.50	552,746.25	507,000.00
E	939,254.75	950,086.50	960,918.25	971,750.00
F	602,363.25	570,575.50	538,787.75	507,000.00
G	562,291.00	515,694.00	469,097.00	422,500.00
H	300,694.50	284,963.00	269,231.50	253,500.00
I	1,237,592.25	1,247,561.50	1,257,530.75	1,267,500.00
J	302,173.50	285,949.00	269,724.50	253,500.00
K	1,980,331.50	1,953,971.00	1,927,610.50	1,901,250.00
L	601,027.00	626,018.00	651,009.00	676,000.00
M	676,358.25	619,905.50	563,452.75	507,000.00

Indicative modelling of a 3-year MFG approach

	Year 1	Year 2	Year 3
A	457,000.67	482,000.33	507,000.00
B	1,314,927.33	1,185,588.67	1,056,250.00
C	296,765.33	275,132.67	253,500.00
D	628,990.00	567,995.00	507,000.00
E	942,865.33	957,307.67	971,750.00
F	591,767.33	549,383.67	507,000.00
G	546,758.67	484,629.33	422,500.00
H	295,450.67	274,475.33	253,500.00
I	1,240,915.33	1,254,207.67	1,267,500.00
J	296,765.33	275,132.67	253,500.00
K	1,971,544.67	1,936,397.33	1,901,250.00
L	609,357.33	642,678.67	676,000.00
M	657,540.67	582,270.33	507,000.00

### Specialist Support Centres (SSCs) and Specialist Units

25. Suffolk currently has 7 SSCs all attached to mainstream primary schools. Minimum funding guarantee rules would apply in this situation. The ESFA High Needs Funding guidance requires us to model whole school budget as opposed to specialist unit. Two models are again presented here as for special schools above.

26. Method: Actual whole school funding allocation for all 7 primary schools with SSCs was secured from Suffolk's school funding team, this does not include any additional funding the school may receive such as Pupil Premium, UIFSM, other grant funding and additional income and constitutes Schools Block funding, placement funding (element 2 for SSC) and top up funding for SSC and mainstream learners. Due to the historic arrangement of SSC's only securing 25% of allocated top up funding, some schools have historically taken the decision not to request top up funding due to a cost analysis decision based on the amount of staff input required to process requests. As the local authority has committed to paying the full allocation of top up funding as we move to the new system it was vital that a full allocation of funding was illustrated to

ensure an informed decision-making process. The decision was taken to take an average allocation using the bandings C,D,E and F and multiply this by the number of young people accessing the SSC. It is important to note that no additional short-term commissioned provision is taken into account within the modelling. The LA recommends a consistent approach is taken to that of special schools in terms of timescale transitional protection.

Table 6. Indicative modelling of a 5,4 and 3 years MFG approach with 1.5% MFG as minimum movement

school	old funding system	new funding system	Difference	1	2	3	4	5
A	£1,023,753	£1,111,699	£87,946	£1,041,342	£1,058,931	£1,076,521	£1,094,110	£1,111,699
B	£2,314,814	£2,429,543	£114,729	£2,349,536	£2,384,779	£2,420,551	£2,429,543	
C	£1,686,028	£1,788,204	£102,176	£1,711,318	£1,736,988	£1,763,043	£1,788,204	
D	£1,063,682	£1,106,100	£42,418	£1,079,637	£1,095,832	£1,106,100		
E	£1,297,849	£1,389,659	£91,810	£1,316,211	£1,334,573	£1,352,935	£1,371,297	£1,389,659
F	£716,662	£760,580	£43,918	£727,412	£738,323	£749,398	£760,580	
G	£995,327	£1,063,037	£67,710	£1,008,869	£1,022,411	£1,035,953	£1,049,495	£1,063,037
				Difference to reach new budget spread over 4 years				
school	old funding system	new funding system	Difference	1	2	3	4	
A	£1,023,753	£1,111,699	£87,946	£1,045,740	£1,067,726	£1,089,713	£1,111,699	
B	£2,314,814	£2,429,543	£114,729	£2,343,496	£2,372,179	£2,400,861	£2,429,543	
C	£1,686,028	£1,788,204	£102,176	£1,711,572	£1,737,116	£1,762,660	£1,788,204	
D	£1,063,682	£1,106,100	£42,418	£1,079,637	£1,095,832	£1,106,100		
E	£1,297,849	£1,389,659	£91,810	£1,320,802	£1,343,754	£1,366,707	£1,389,659	
F	£716,662	£760,580	£43,918	£727,642	£738,621	£749,601	£760,580	
G	£995,327	£1,063,037	£67,710	£1,012,255	£1,029,182	£1,046,110	£1,063,037	
				Difference to reach new budget spread over 3 years				
school	old funding system	new funding system	Difference	1	2	3		
A	£1,023,753	£1,111,699	£87,946	£1,053,068	£1,082,384	£1,111,699		
B	£2,314,814	£2,429,543	£114,729	£2,353,057	£2,391,300	£2,429,543		
C	£1,686,028	£1,788,204	£102,176	£1,720,087	£1,754,145	£1,788,204		
D	£1,063,682	£1,106,100	£42,418	£1,077,821	£1,091,961	£1,106,100		
E	£1,297,849	£1,389,659	£91,810	£1,328,452	£1,359,056	£1,389,659		
F	£716,662	£760,580	£43,918	£731,301	£745,941	£760,580		
G	£995,327	£1,063,037	£67,710	£1,017,897	£1,040,467	£1,063,037		

Indicative modelling of a 5,4 and 3 year's MFG approach

school	Old Funding System	New Funding System	Difference	1	2	3	4	5
A	£1,023,753	£1,111,699	£87,946	£1,041,342	£1,058,931	£1,076,521	£1,094,110	£1,111,699
B	£2,314,814	£2,429,543	£114,729	£2,337,760	£2,360,706	£2,383,651	£2,406,597	£2,429,543
C	£1,686,028	£1,788,204	£102,176	£1,706,463	£1,726,898	£1,747,334	£1,767,769	£1,788,204
D	£1,063,682	£1,106,100	£42,418	£1,072,166	£1,080,649	£1,089,133	£1,097,616	£1,106,100
E	£1,297,849	£1,389,659	£91,810	£1,316,211	£1,334,573	£1,352,935	£1,371,297	£1,389,659
F	£716,662	£760,580	£43,918	£725,446	£734,229	£743,013	£751,796	£760,580
G	£995,327	£1,063,037	£67,710	£1,008,869	£1,022,411	£1,035,953	£1,049,495	£1,063,037
Difference to reach new budget spread over 4 years								
school	Old Funding System	New Funding System	Difference	1	2	3	4	
A	£1,023,753	£1,111,699	£87,946	£1,045,740	£1,067,726	£1,089,713	£1,111,699	
B	£2,314,814	£2,429,543	£114,729	£2,343,496	£2,372,179	£2,400,861	£2,429,543	
C	£1,686,028	£1,788,204	£102,176	£1,711,572	£1,737,116	£1,762,660	£1,788,204	
D	£1,063,682	£1,106,100	£42,418	£1,074,287	£1,084,891	£1,095,496	£1,106,100	
E	£1,297,849	£1,389,659	£91,810	£1,320,802	£1,343,754	£1,366,707	£1,389,659	
F	£716,662	£760,580	£43,918	£727,642	£738,621	£749,601	£760,580	
G	£995,327	£1,063,037	£67,710	£1,012,255	£1,029,182	£1,046,110	£1,063,037	
Difference to reach new budget spread over 3 years								
school	Old Funding System	New Funding System	Difference	1	2	3		
A	£1,023,753	£1,111,699	£87,946	£1,053,068	£1,082,384	£1,111,699		
B	£2,314,814	£2,429,543	£114,729	£2,353,057	£2,391,300	£2,429,543		
C	£1,686,028	£1,788,204	£102,176	£1,720,087	£1,754,145	£1,788,204		
D	£1,063,682	£1,106,100	£42,418	£1,077,821	£1,091,961	£1,106,100		
E	£1,297,849	£1,389,659	£91,810	£1,328,452	£1,359,056	£1,389,659		
F	£716,662	£760,580	£43,918	£731,301	£745,941	£760,580		
G	£995,327	£1,063,037	£67,710	£1,017,897	£1,040,467	£1,063,037		

## **Post 16 Institutions**

27. In line with guidance as set out within the ESFA High Needs Funding 2019 – 2020 Operational Guidance September 2018, it is proposed that no MFG will be implemented for post 16 institutions. The rationale for this is that the top up funding received from the high needs block only constitutes a small proportion of these providers' overall budgets, therefore, it is proposed that the implementation of the new funding system will not provide a significant level of financial shock for this sector when compared to size of overall budgets.

## **Next Steps**

28. Following this discussion at Forum, officers will progress with the implementation of the preferred approach for PRUs and post-16 providers, and if there is support from forum, progress the preferred models of disapplication for special schools as agreed during the discussion.

29. The LA will complete the formal process to confirm the funding for children and young people attending special schools and SSCs in the new system by the end of February. All headteachers and CEOs will be written to at this stage to confirm their future funding profile.

30. Following confirmation of future funding profiles, those special schools that would not migrate through the MFG within the agreed timescale recommended by Forum will be written to individually to ask them for their support for an application to the ESFA to disapply MFG. After this, officers will submit an application to ESFA requesting disapplication which will include information regarding the response received from each school affected.

31. Formal process to transfer children and young people from old banding to new system will be undertaken by the end of March for PRUs and the work for post-16 will follow after this.

32. Officers will commit to future work with schools to review dual placement policy. The exact timescales for this will need to be confirmed once the current high needs funding work is completed.