

Summary Sheet

Committee Name and Date of Committee Meeting
Rotherham Schools' Forum – 26th June, 2020

Report Title

Enhancements to payment of Element 3 (Top-Up) Funding for High Needs Learners

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Sally Hodges– DCS CYPS

Report Author(s)

Neil Hardwick - Head of Finance

Ward(s) Affected

All

Summary

Element 3 Top-up payments are currently being made to Rotherham schools and academies on a monthly basis, with other educational institutions invoicing the local authority.

The proposal is to widen the top-up payments to cover all maintained schools, academies, Pupil Referral Units and Further Education providers on a monthly basis in arrears which will ensure that Rotherham complies to the ESFA - High Needs Funding: 2020 to 2021 Operational guide.

To provide all educational institutions with a detailed payment schedule which will outline each student's top-up payment to inform schools who they have received payment. The document will also enable updates from each institution to inform Rotherham of any new starters and leavers which can then be reviewed and if approved amended on next month's payment.

Recommendations

- 1.1 To approve the enhancements to the payments process of Element 3 (Top up Funding) from the DSG High Needs Block to all mainstream, special schools, PRU's and Further Education institutions for all Rotherham High Needs Learners (HNL's)

List of Appendices Included

Element 3 (Top-Up) Funding Template

Background Papers

ESFA - High Needs Funding: 2020 to 2021 Operational guide

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

No

Update to Payment Process for Element 3 (Top Up) Funding for High Needs Learners

1. Recommendations

- 1.1 To approve the enhancements to the payments process of Element 3 (Top up Funding) from the DSG High Needs Block to all mainstream, special schools, PRU's and Further Education institutions for all Rotherham High Needs Learners (HNL's)

2. Background

- 2.1 As outlined in the ESFA's High Needs Block Operational Guidance, the high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and institutions to meet their statutory duties under the Children and Families Act 2014. High needs funding is also intended to support good quality AP for pre-16 pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream or special schools.
- 2.2 The high needs funding block provides local authorities with resources for place funding and top-up funding for institutions, and funding for high needs services delivered directly by the authority or under a separate funding agreement with institutions (including funding devolved to institutions), as permitted by regulations.
- 2.3 Top-up funding is the funding required, over and above the core funding an institution receives, to enable a pupil or student with high needs to participate in education and learning. This is paid by the commissioning local authority and should reflect the costs of additional support to meet the individual pupil or student's needs. Top-up funding can also reflect costs that relate to the facilities required to support a pupil's or student's education and training needs (either for individuals or on offer to all) and can take into account expected place occupancy levels and other factors.
- 2.4 Although many of the pupils and students receiving high needs funding will have EHC plans, local authorities have the flexibility to provide high needs funding outside the statutory assessment process for all children and young people with high needs up to the age of 19.
- 2.5 Local authorities bear the ultimate responsibility for decisions on top-up funding, as they are accountable for spending from their high needs budgets. In all instances, pupils or students with an EHC plan must have their placement commissioned by a local authority and an agreement should be in place between the local authority and the institution that confirms the amount of top-up funding to be paid (as set out below). Even where provision is specified in an EHC plan, there is no statutory requirement that a local authority has to pay top-up funding at a particular rate requested by a school or institution.

- 2.6 Local authorities' expenditure from the DSG is subject to conditions of grant set by the department, which govern the way high needs funding is used. For example:
- local authorities must treat those placed in maintained provision, in academies and free schools, in the further education sector, and in non-maintained and independent provision on a fair and equivalent basis when making arrangements for funding young people with high needs.
 - local authorities must make payments of top-up funding to institutions in a timely fashion and on a basis agreed with the institution; payments must be monthly unless otherwise agreed (such as termly in advance)
 - institutions should contact ESFA where there are problems reaching agreement or receiving timely payments
 - ESFA will examine cases and consider remedial action where there is clear evidence that a local authority is not meeting the required conditions of grant

3. Key Issues

- 3.1 Issues with education institutions not always invoicing on a regular basis, rates being queried and eligibility of student top-up payments is leading to delays in processing of some payments.
- 3.2 Queries from schools and academies as to which pupils they have received top-up payments for as they do not receive a remittance advice.
- 3.3 Accuracy of the data on Capita One are expected to be improved as discrepancies between institutions and Rotherham's data.
- 3.4 To provide greater clarity on Element 3 Top-Up Funding the annual agreed funding is to be paid across 11 months with no payment for August. Any new starters or leavers will receive a month payment prorata to the calendar days in the month their placement starts or ends.
- 3.5 It is a requirement of the ESFA - High Needs Funding: 2020 to 2021 Operational guide to make payments of top-up funding to institutions in a timely fashion and on a basis agreed with the institution; payments must be monthly unless otherwise agreed.

4. Options considered and recommended proposal

- 4.1 To extend the monthly top-up payments to cover all maintained schools, academies, Pupil Referral Units and Further Education providers supporting Rotherham High Needs Learners (HNL's).
- 4.2 To introduce a Top-Up Funding Payment Schedule to enable clarity on students the payment relates and enable feedback from the provide on new starters and leavers, see Appendix 1 for details.

- 4.3 To agree the annual top-up funding to be paid in 11 monthly payments as outlined in para 3.4

5. Consultation

- 5.1 The recommended proposal has been piloted with RNN and two Sheffield schools, who are very happy with the process.
- 5.2 This report is to be submitted to School Forum to inform them of the new proposed process which will enable Rotherham to comply with ESFA guidance.

6. Timetable and Accountability for Implementing this Decision

- 6.1 It is proposed that the first payment with the new payment schedule is actioned at the end of May

7. Financial and Procurement Implications

- 7.1 The Element 3 Top-up Funding is approximately £13m per annum and the implementation of a monthly payment schedule extended across more educational institutions will improve monitoring of the High Needs Block.
- 7.2 There are no financial implications.

8. Legal Implications

- 8.1 There are no legal implications.

9. Human Resources Implications

- 9.1 There are no HR implications.

10. Implications for Children and Young People and Vulnerable Adults

- 10.1 The overarching aim is to provide top-up funding to educational institutions in a timely fashion, with a payment schedule which provides clarity on the students the provider is receiving top up funding.

11. Equalities and Human Rights Implications

- 11.1 There are no implications.

12. Implications for Partners and Other Directorates

- 12.1 There will be no direct implication other than consideration will be given to how we can support each other around workforce development.

13. Risks and Mitigation

13.1 The ESFA - High Needs Funding: 2020 to 2021 Operational guide states that local authorities must make payments of top-up funding to institutions in a timely fashion and on a basis agreed with the institution; payments must be monthly unless otherwise agreed. The recommendation in this report supports the council in meeting these obligations.

14. Accountable Officer(s)

Approvals Obtained from:-

	Named Officer	Date
Strategic Director of Finance & Customer Services	Neil Hardwick	
Service Manager of Legal Services	Linton Steele	12.05.2020. If current practice fails to ensure compliance with ESFA guidance or duties under the 2014 Act there is a risk of legal challenge if proposals are not implemented, a risk which be not be present if the proposals are implemented.
Head of Procurement (if appropriate)	Kare Middlebrook	
Head of Human Resources (if appropriate)	Amy Leech	

Report Author: Name, Job Title

Neil Hardwick – CYPS Head of Finance