

Date of meeting:	Thursday, 27 September 2018
Title of report:	Replacement of the CAN-DO RAS with a Banded System
Type of report: Delete as required	For Discussion/ Information
Executive summary: Including reason for submission	North Yorkshire have previously used an in-house RAS (resource allocation system) to administer Element 3 “Top-up” funding since September 2015. This paper updates the Schools Forum on the development of a banded system and proposes to consult schools and parents. The paper also explains the intention to disapply the special schools MFG (minimum funding guarantee) to “re-base” E3 “top-up” funding arrangements so that each special school receives the actual amount of top-up intended by the new banded system.
Budget / Risk implications:	There is no saving identified for this proposal; financial modelling includes appropriate contingencies pending the transition of individual pupils from the current RAS to an appropriate band. There is a risk of ‘upward bias’ as each pupil is assessed using the new system. If the special school MFG is not disapplied for 2019-20, there is a risk that the implementation of the new system will add more financial pressure.
Recommendations:	That members of the Schools Forum note the contents of the report.
Voting requirements:	None
Appendices: To be attached	None
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1.0 PURPOSE OF THE REPORT

To inform Schools Forum of the intention to consult on proposals to replace the CAN-DO Resource Allocation System (RAS) with a new NYCC Banding system.

2.0 BACKGROUND

Context

- 2.1 The Children and Families Act 2014 42(2) states that “...*the local authority must secure the specified special educational provision for the child or young person.*” This will be a combination of the delegated SEN notional budget to schools in addition to the required “top up” of element 3 funding to meet individual needs.
- 2.2 There is a recognition, both in the funding regulations and in the Code of Practice, for a need to have an efficient, equitable and fair system to identify the resource required to meet needs. The guidance is also clear, however, that a blanket policy cannot be implemented indiscriminately and there must always be the opportunity for an individual response, should it be required.
- 2.3 North Yorkshire County Council have used an in-house developed RAS (Resource Allocation System) to administer the Element 3 “top up” known as “CAN-DO” since September 2015. The premise of the CAN-DO was to avoid a gross banding system, and to allocate a specific amount generated by each individual child’s level of need. The CAN-DO consists of a series of questions to which the school / setting / parent can respond from “strongly agree” to “strongly disagree” with scaling between. Answers are weighted and the CAN-DO delivers an amount according to the answers and the weighting for each individual.
- 2.4 In the past year there have been a number of changes to the CAN-DO including the questions in the CAN-DO, the weightings, the allocation of funding and the removal of the complex medical element. This has resulted in a number of unintended consequences including:
- A rise in exceptional funding requests for complex medical funding;
 - Weighting changes resulting insufficient CAN-DO amounts;
 - Perceived loss of confidence in the system by schools, settings and the SEN Team;
 - An increase in administration and moderation by the SEN Team;
 - Lack of transparency and equity in the funding decisions made.

- 2.5 In addition, the CAN-DO model does not require schools and settings to evidence the statements they make and there is significant variation, therefore, between schools and settings in the amount of funding generated by the CAN-DO between children and young people with similar needs.

Purpose & scope of review

- 2.6 Issues identified above have resulted in a decision to review the system for allocating E3 top-up funding into the future.
- 2.7 The aims and benefits identified at the outset were:
- To replace the CAN-DO with a Resource Allocation System that was comprehensive and which would cover all needs including medical needs;
 - To improve the efficiency in the administration, allocation and moderation of top-up funding;
 - To increase accountability in requiring the evidence for the need at the outset and ongoing evidence of how that funding is delivered to each individual child to meet their needs;
 - To increase user confidence and ability to evidence the funding required;
 - To ensure equity across North Yorkshire and that equivalent needs would be met by equivalent funding regardless of who submitted the request or moderated the request;
 - To create a simplified, open and transparent funding model that would fit the vast majority of situations both at a place level in terms of special schools / PRS / EMS and at an individual level;
 - To ensure that there is assurance that the top-up allocation is both appropriate to meet needs whilst ensuring most efficient use of resources.
- 2.8 A working group was established consisting of the Head of SEND, Principal Assessment and Review Officers, Placement Officer, Commissioning Officers and Finance Officers. This group initially gathered together systems from across the region to review, along with any soft intelligence regarding ease of use, consistency and any identified difficulties.
- 2.9 The group identified 5 different systems that were sufficiently different from each other and which were felt to have sufficient information in order to apply that system in North Yorkshire. All were banding systems but used different methodologies to identify the banding required. Each comparison RAS was compared with the CAN-DO. A banding system currently used in Bradford - with descriptors for each band - was selected as the best fit for North Yorkshire, to deliver the benefits outlined above. This RAS is intended to be applied to all ages, stages and settings including Early Years and Post-16.



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Funding allocation

- 2.10 In North Yorkshire we propose using 10 bands. Each band has a set of descriptors for each primary need which we are currently working through to ensure they fit North Yorkshire processes and Inclusive Education Service support. Bands 1-3 attract no further E3 funding and are expected to fall within the Notional SEN Budget (element 2) of up to £6k per pupil within the school or setting.
- 2.11 These bands are intended to support the local authority to hold schools to account for their provision at this level, to identify what that support should look like for an individual child, and to provide equity across the county in the decision to issue an EHCP and what should be “quality first teaching” and what would be additional and different in terms of SEN. Band 10 allocation is for highly exceptional and individual high needs cases and the actual funding will be determined by a panel. In North Yorkshire, this would apply to roughly 26 pupils of the current 2658 with EHCPs (0.98%). We propose that we would also allocate this resource by panel involving Headteachers. It is intended that there will be a fixed value per band compared to the CAN-DO RAS.
- 2.12 PRS funding would be based on place funding plus £7k top-up for children and young people without EHCPs (**see Item 2.4d elsewhere on the agenda**). For the minority of young people in the PRS who have an EHCP, they would be funded according to the band allocated by their EHCP.
- 2.13 At this stage we have modelled the number of pupils that would fall into each band in mainstream and in special schools. **The financial model is an estimate and appropriate contingencies are held as each child is matched to an appropriate band.** Special school allocations are impacted by the core offer and economies of scale taken into consideration in the calculation. We would expect exceptional funding requests to decrease significantly when the banding system is introduced as complex medical funding is included in the banding model – this has been excluded from the CAN-DO RAS.

Special Schools MFG

- 2.14 It is our expectation that the DfE will allow local authorities to determine the minimum funding guarantee (MFG) for special schools at a level between +0.5% to -1.5% of overall funding, to be determined locally in line with the MFG for mainstream schools, assuming that the number and type of places remains the same. Given that North Yorkshire are proposing a fundamental shift to move from the CAN-Do Resource allocation System to a banded



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system, it is possible that the local authority may fund at below the -1.5% level of protection in order to balance fairly delivering the intended banded values and the pressures within the High Needs Block. As a result, it is our intention to apply for an exemption to the MFG through a disapplication request form. In effect, this will enable each special school to receive the value intended by the banded system and avoid further cost pressure in the High Needs Block as it would otherwise protect previous CAN-Do results at school level. The intention to disapply the MFG calculation for 2019-20 only (compared with 2018-19) will enable the top-up funding to be 're-based' with MFG calculations applied for each subsequent year (2020-21 onwards). It is our intention to consult North Yorkshire maintained special schools and academies on this proposal and the consultation results will be brought back to the Schools Forum in November.

3.0 RECOMMENDATIONS

- 3.1 Schools Forum are asked to note the proposed change from the CAN-DO RAS to a banding allocation system and to endorse the proposed consultation with all schools, parents and carers in October / November 2018 with a proposed implementation date of the new banding system from 1st April 2019.

Stuart Carlton

Corporate Director, Children & Young People's Service