

Equality, Diversity, Cohesion and Integration Screening



As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration.

A **screening** process can help judge relevance and provides a record of both the **process** and **decision**. Screening should be a short, sharp exercise that determines relevance for all new and revised strategies, policies, services and functions.

Completed at the earliest opportunity it will help to determine:

- the relevance of proposals and decisions to equality, diversity, cohesion and integration.
- whether or not equality, diversity, cohesion and integration is being/has already been considered, and
- whether or not it is necessary to carry out an impact assessment.

Directorate: Children and Families	Service area: Finance; complex needs service; learning improvement.
Lead person: Sue Rumbold, Chief Officer for Partnerships	Contact number: For purposes of this screening, please contact Natalie Samuel (project lead) on 07891 279105

1. Title: Review of the High Needs Block of the Dedicated Schools Grant and recommendations for reducing overspend.

Is this a:

Y Strategy / Policy

 Service / Function

 Other

If other, please specify NB: Revision of existing policy pertaining to funding.

2. Please provide a brief description of what you are screening

Proposed changes to our current mechanisms for allocating funding from the High Needs Block, which is part of the Dedicated Schools Grant and is intended to be disseminated to schools and education providers to support pupils with higher level special educational needs and disabilities. The proposed changes follow a rigorous review of the current system, and are based on the outcomes of consultation with education providers and the recommendations of the Leeds Schools Forum.

3. Relevance to equality, diversity, cohesion and integration

When considering these questions think about age, carers, disability, gender reassignment, race, religion or belief, sex, sexual orientation and any other relevant characteristics (for example socio-economic status, social class, income, unemployment, residential location or family background and education or skills levels).

Questions	Yes	No
Is there an existing or likely differential impact for the different equality characteristics?	Y	
Have there been or likely to be any public concerns about the policy or proposal?		N (possible but unlikely)
Could the proposal affect how our services, commissioning or procurement activities are organised, provided, located and by whom?	Y (to a minor degree)	
Could the proposal affect our workforce or employment practices?		N
Does the proposal involve or will it have an impact on <ul style="list-style-type: none">• Eliminating unlawful discrimination, victimisation and harassment• Advancing equality of opportunity• Fostering good relations	Y	

If you have answered **no** to the questions above please complete **sections 6 and 7**

If you have answered **yes** to any of the above and;

- Believe you have already considered the impact on equality, diversity, cohesion and integration within your proposal please go to **section 4**.
- Are not already considering the impact on equality, diversity, cohesion and integration within your proposal please go to **section 5**.

4. Considering the impact on equality, diversity, cohesion and integration

Please note: for brevity, this section includes references to a more detailed report, which can be found with papers for the October 2017 meeting of the Leeds Schools Forum here: <http://www.leeds.gov.uk/residents/Pages/Schools-forum.aspx> References are also made to further reports presented at the November 2017 and January 2018 meetings of the Schools Forum, which can be found in the same place.

Background:

The High Needs Block (HNB) is part of the Dedicated Schools Grant (DSG), which is the main source of income for the LA's schools' budget. The HNB supports educational provision for pupils and students with special educational needs and disabilities (SEND) from 0 to 25.

Funding is disseminated from the HNB in 3 ways in Leeds (all permitted under the funding regulations and typical of other LAs):

- Funding is passported directly to schools and other education providers: either to pay for places in specialist and alternative provisions; or in the form of 'top up' funding allocated to individual learners in education who have more complex needs and need more costly support. The majority of the HNB funding in Leeds - approx. 87% - is used in this way.
- Funding is retained by the LA to deliver centrally-managed SEND support services for schools and other education providers, e.g. support teams who can provide specialist advice, guidance and training.
- Funding is used by the LA to commission SEND support services.

Leeds's High Needs Block, in common with many around the country, is under considerable pressure due to increasing demographic growth and complexity of children's needs. This resulted in a shortfall of over £4.5 million at the end of the 2016/17 financial year. A shortfall of £3.236m is projected for 17/18 and £4.171m for 18/19 (based on estimates at November 17).

It was therefore agreed in May 2017 that a review should be undertaken by Children and Families Services to explore current spending and identify measures to:

- Bring expenditure back in line with funding settlements for 16/17 to 17/18 and estimated funding settlements in future years; and
- Comply with our duty as an LA to keep high needs spending under review, to ensure continued support for children and young people with SEND within the budgets available.

The findings and recommendations of the review were to be shared with the Leeds Schools Forum, to inform final decision making by the LA on the measures to be taken. The Schools Forum is made up of representatives from schools and academies, with some representation from other non-school organisations, such as nursery and 14-19

education providers, and acts as a consultative body on some issues and a decision making body on others. The Forum acts in a statutory consultative role in regard to arrangements for the education of pupils with special educational needs.

How have you considered equality, diversity, cohesion and integration?

(think about the scope of the proposal, who is likely to be affected, equality related information, gaps in information and plans to address, consultation and engagement activities (taken place or planned) with those likely to be affected)

Considerations of equality for a disadvantaged group were central to this work, given the challenge posed: how do we support education providers to promote the best possible outcomes for this disadvantaged group of children and young people, whilst also reducing our spending and ensuring future sustainability?

Rigorous review of the current use of the HNB was crucial in determining any possible means to reduce spending with minimal impact upon schools and learners. A dedicated work group of colleagues across services was charged with exploring and reporting on current use of the HNB and any areas of possible inefficiency.

Consideration of the local and national context of the HNB was also necessary to understand the current position of overspend. Colleagues on the work group were charged with analysing data reported nationally on use of the HNB across the country, and with comparing practices and policies in other LAs.

To ensure that those stakeholders most directly affected had the opportunity to engage with the review and shape its recommendations, a number of focused workshops were delivered; all schools, early years education providers, and post 16 education providers in Leeds (and in neighboring areas supporting Leeds learners) were invited to attend. To ensure accessibility, a variety of venues in different areas of the city and different times were offered. The working group leading the review also attended a variety of meetings attended by education partners to share information about the review and encourage participation. Partners were also offered the opportunity to take part remotely if they could not attend sessions in person.

Greater detail about the sessions can be found in the detailed report (see pages 40 - 46). In brief, partners were asked to consider the findings of the review, including a number of identified options for reducing spend; and then consider and discuss those options, considering their impact on education providers and learners. Partners were also asked to identify their 'top 5' preferred options, ranking them according to preference; this allowed for a scoring system to determine the majority view, which very much influenced the final recommendations of the review.

- **Key findings**

(think about any potential positive and negative impact on different equality characteristics, potential to promote strong and positive relationships between groups, potential to bring groups/communities into increased contact with each other, perception that the proposal could benefit one group at the expense of another)

The findings of the review can be found in detail in the full report (see for the October 2017 meeting of the Leeds Schools Forum here:

<http://www.leeds.gov.uk/residents/Pages/Schools-forum.aspx>

In brief:

One of the key findings of note was that Leeds is less well funded in terms of HNB funding than other LAs; indeed, total HNB funding in Leeds is 25% lower than the national average (mean) of £327 per pupil, at only £240 per pupil (pp. 38 of report). Leeds is thus operating at a considerable disadvantage in comparison to others. This disparity will be addressed somewhat by the introduction of a new funding formula for the HNB, to be introduced in 2018; however gains as a result of the new funding formula will be “capped”, and so will not take full effect until 2020/2021. In the interim, the deficit carried forward each year and projected overspend, will remain considerable and untenable if action is not taken now.

The review also examined the population of children and young people with SEND, and identified that this population has increased exponentially with – and possibly in excess of – the growth in the child population resulting from the increased birth rate over the past decade. Moreover, a change in legislation has extended responsibilities for the education of children and young people with high level needs to age 25 where a young person remains in education and has complex needs recognised in a statutory Education, Health and Care Plan.

Despite the specific financial challenges faced locally, the review found that Leeds is not alone in experiencing overspend in the HNB; a recent survey by the Association of Directors of Children’s Services (ADCS) into HNB spending identified that of 85 LAs who responded, 68 reported an overspend in 2016/17; totalling £139.5 million. This is notable as it suggests an issue in the system as a whole, as opposed to inefficiency in Leeds specifically (indeed, some LAs reported much greater amounts of overspend).

In terms of HNB spending in Leeds to date, the review identified that one service funded by the HNB is the Teenage Pregnancy Support Service; it was queried why this service should be funded through a budget for meeting SEND needs. Partners taking part in focus groups were almost unanimous in stating that this should be funded through alternative means. It was deemed inappropriate that limited funding for learners with SEND be used in this way.

The review also identified one element of HNB spending in Leeds that is not typical of other LAs (it was not observed in any of the LAs examined during the review). Currently, mainstream schools in Leeds are asked to spend a minimum of 40% of their notional

inclusion budget (their budget for meeting the support needs of learners with SEND) on providing 'blocks' of £6k to meet the needs of individual learners who have higher level support needs which will cost more than £6k (further funding to meet those needs will be provided via application for top-up funding). This is in line with national regulations that indicate that all mainstream schools should meet the SEND needs of learners up to a cost of £6k; however in Leeds we have supported those schools with a significantly greater cohort of learners with such needs, by providing them with additional blocks of 6k for those learners. Ceasing this atypical approach would save up to £1 m a year, and was suggested to stakeholders as a possible option for reducing spend. This gave rise to significant debate; many felt that this would be punitive to those schools who, by their inclusive approach and high quality support for SEND, attract more learners with SEND needs than is usual. However others argued that Leeds schools should be able to manage with their notional inclusion budget, as their counterparts in other areas do. Debates about this continued after the review reported in October 17, and this issue was revisited by the Schools Forum at their November 17 and January 18 meetings to ensure all views were considered.

The review also examined the system of 'top-up' funding which is funded via the HNB; known in Leeds as Funding for Inclusion, or FFI, this funding is awarded to schools and other education providers to meet the individual needs of specific learners with higher level support needs with costs exceeding £6k. The funding is awarded bands, which each represent a type of need, and tiers, which represent complexity of need. Funding is awarded in units; at 2017, the unit sum was £684. Various options were identified in the review for revising the FFI system to make savings. One option would be to simply cease to provide for the lowest tiers of funding, effectively raising the threshold for awarding funding. This could also be applied in the case of some specific bands, but not in others. Another option was to simply reduce the unit sum of £684 across all bands and tiers. These options gave rise to lengthy debate about equity; some felt that those with the most complex needs and thus at the most disadvantage, should be the first priority for funding. Others felt that it was more equitable to simply reduce the unit value across the board for all learners. This issue was revisited by the Schools Forum at their November 17 and January 18 meetings to allow all aspects to be considered.

The review also recommended that some funding be transferred from the main Schools Block of the DSG, into the HNB. According to regulations, up to 0.5% of the budget can be moved in this way (or indeed more, although this is subject to specific approval of the Schools Forum and the ESFA). Stakeholders taking part in the review had indicated that they felt this promoted equity by spreading the costs across the whole school population, rather than just those learners with SEND. This was a very popular option amongst stakeholders.

- **Actions**

(how you will promote positive impact and remove/ reduce negative impact)

After considerable debate at the Schools Forum over 4 months, and further modelling and analysis of recommendations and their potential impact, the following measures are to be implemented to bring HNB spending back in line with available funding and ensure sustainability (subject to publication of a DDN and subsequent call-in arrangements):

- The Teenage Pregnancy Support Service to no longer be funded through the

HNB, but through an alternative budget. Estimated saving: £300k per annum. This will allow all of the HNB funding to be used as intended to support the needs of those with SEND.

- Revisions to be made to the system of awarding of additional blocks of funding to mainstream schools to supplement their notional inclusion budget, where they have significant numbers of learners who have higher level support needs which will exceed costs of £6k. It was initially proposed that these additional blocks of funding cease to be awarded; however after much debate, Schools Forum members remained concerned about the potential impact of this on mainstream schools; even when a suggestion was made that those in exceptional circumstances might still be able to apply for additional funding. Members instead proposed the raising of the percentage of the notional inclusion budget to be spent by schools on individual blocks of £6k before they can access any additional blocks, to 50% - as opposed to the current 40%. This will be implemented, achieving a lesser, but still significant saving with less punitive impact on those schools with the largest cohorts of learners with SEND.
- The revision of the Funding for Inclusion (FFI) unit value to £600 from the current £684: Schools Forum conclude that this is the most equitable approach to revisions to the FFI system for mainstream schools, as it will impact all schools and learners to a lesser degree, as opposed to impacting only some learners with specific types or levels of need to a greater degree (as per alternative options that would have ceased to provide certain tiers of funding altogether). However this approach would have a disproportionately negative impact on Leeds' Specialist Inclusive Learning Centres (special schools), given the complex needs of all their learners, and would risk their financial sustainability; hence these revisions will not apply to them. This revision will achieve a substantial saving with a fairly low impact evenly spread across all schools and learners.
- In light of concerns raised at Schools Forum regarding the possible disproportionate impact of the proposed savings on mainstream schools with significant numbers of pupils with SEND, the Council is proposing to mitigate this by applying transitional protection to limit individual school reductions in 2018/19 to 1.5% of the sum of baseline and high needs funding. While this will reduce the overall savings made, it will ensure that schools known for an inclusive approach and who thus attract higher numbers of learners with SEND, are not disproportionately affected by the changes, which would not be equitable.
- The transfer of £2m from the Schools Block of the DSG to the HNB: in line with the views of partners, £2m of funding will be transferred to the HNB from the Schools Block to aid in balancing the budget, rather than to seeking to make further savings on services and support for SEND needs. This reduces the pressure on funds for this specific and disadvantaged group.

5. If you are *not* already considering the impact on equality, diversity, cohesion and integration you *will need to carry out an impact assessment*.

Date to scope and plan your impact assessment:

Date to complete your impact assessment

*Lead person for your impact assessment
(Include name and job title)*

6. Governance, ownership and approval

Please state here who has approved the actions and outcomes of the screening

Name

Job title

Date

7. Publishing

This screening document will act as evidence that due regard to equality and diversity has been given. If you are not carrying out an independent impact assessment the screening document will need to be published.

If this screening relates to a **Key Delegated Decision, Executive Board, full Council** or a **Significant Operational Decision** a copy should be emailed to Corporate Governance and will be published along with the relevant report.

A copy of **all other** screenings should be sent to equalityteam@leeds.gov.uk. For record keeping purposes it will be kept on file (but not published).

Date screening completed

07/01/2017

If relates to a Key Decision - **date sent to Corporate Governance**

08/02/2017

Any other decision – **date sent to Equality Team (equalityteam@leeds.gov.uk)**