

West Berkshire Schools' Forum	
Title of Report:	Funding of High Needs Students in FE Colleges
Date of Meeting:	7th October 2013
Contact Officer(s)	Jane Seymour
For Decision	

1. Introduction

- 1.1 Responsibility for funding students with SEN in FE Colleges sat with the Education Funding Agency until 2012-13 but transferred to Local Authorities with effect from 2013-14. Funding was put in to the Post 16 High Needs Block for this purpose but this was based on a formula and did not fully reflect need.
- 1.2 Funding for High Needs Students in FE Colleges is composed of Elements 1, 2 and 3. Element 1 (£4,000) is provided by the EFA and represents the general costs associated with the student's placement in college (similar to the Age Weighted Pupil Unit in mainstream schools). Element 2 (£6,000) is provided by the EFA (but is top sliced from the Local Authority's High Needs Block). Only those students who require funding over £10,000 will attract Element 3 or "top up" funding from the Local Authority. These will almost always be students who had a Statement of Educational Needs when they were in school, although there may be a small number of exceptions to this.
- 1.3 FE Colleges were funded up to July 2013 by the EFA, so in the current financial year the DSG will only bear a part year cost equivalent to two terms of funding, i.e. two thirds of the full year cost of each placement.
- 1.4 Historically, students with SEN who were funded in FE colleges when their statements lapsed at age 19 were usually funded for a maximum of 3 years ie. to the age of 22. However, there is now a legal duty to fund High Needs Students potentially up to the age of 25 if a case can be made that additional time in FE would enable the student to achieve their identified objectives such as accessing employment.

2. Demands on budget for High Needs Students in FE Colleges

- 2.1 It has not been possible to make an accurate estimate of the cost of HNS in FE colleges until now, as this depends on a number of factors at the start of an academic year such as whether existing students will continue on the same course, change to a different course or leave college and which new students will take up places on which courses in which colleges. Some of these decisions can be made well in advance and anticipated but others are made late in the academic year because of changes in students' preferences, students not meeting the entry criteria for courses etc. Top up fees levied for

students by different colleges have also been subject to negotiation and discussion over the course of the summer term.

- 2.2 Now that the academic year has started we have been able to make a more accurate estimate of costs than was previously possible, although this could still be subject to change if students fail to sustain courses or if late applications for entry to courses are received.
- 2.3 Most West Berkshire High Needs Students who are funded in FE colleges attend local FE colleges such as Newbury College, Reading College, Berkshire College of Agriculture, Sparsholt College and Berkshire College of Technology.
- 2.4 In some cases, where a student's needs are highly complex and cannot be met in a local college, placement in an Independent Specialist College (ISP) may be agreed.
- 2.5 The cost of HNS in 2013-14 is estimated as follows:

Type of placement	Number of HNS	Cost £
Independent Specialist Placements	10	489,162
Local FE Colleges	50	850,439
Total annual cost	60	1,339,601
Pro rata cost 1.9.13 to 31.3.14		893,067

3. 2013-14 Budget for High Needs Students

- 3.1 The current budget for High Needs Students in FE Colleges in cost centre 90580 is £183,750. The shortfall to meet costs in the current financial year is therefore £709,317.
- 3.2 Funding in the High Needs Block contingency will need to be vired to cost centre 90580 to meet this unavoidable cost.

4. Implications for 2014 – 15

- 4.1 Whilst the immediate issue to be addressed is the shortfall in the current financial year, it should also be noted that there will be a significant pressure on the High Needs Block for HNS in FE Colleges in future years.
- 4.2 The full year cost of the current cohort of students would be in the region of 1.34 million. There will obviously be changes in the student cohort in the 2014-15 financial year because of leavers and new joiners, but if we assume a similar number of students and a similar level of need, there will be a need for significantly higher budget provision for High Needs Students of the order of £1.34 million.
- 4.3 Officers have worked closely with the FE Colleges to ensure that costs for individual students can be justified and represent value for money, and will continue to do so.

4.4 West Berkshire currently has 10 students in Independent Specialist Colleges because their needs could not be met in local FE colleges. These placements are significantly more expensive than placements in local FE Colleges. The aim is to reduce the need for these placements by building local capacity in 19 to 25 provision. However, this process will take time and it should be anticipated that in the short to medium term we may continue to need a similar level of external placements. It should also be noted that from September 2014 parents will have a legal right of appeal to the SEN and Disability Tribunal in cases where a Local Authority refuses the FE college placement of the parents' choice, and if the appeal is upheld the Authority would be directed to fund the placement. These legal rights do not currently exist in respect of placements in FE colleges so this will potentially create an additional pressure.

Recommendation:

Schools' Forum to agree to a virement of funds totalling £709,320 from the High Needs Block contingency in to the budget for High Needs Students in FE Colleges to meet unavoidable costs in 2013-14.

Schools' Forum be aware of the need to take in to account pressures on the budget for High Needs Students in FE Colleges in 2014-15.