High needs funding in colleges

Association of Colleges Survey

14 May 2018

The Association of Colleges

1. The Association of Colleges (AoC) represents nearly 95% of the 288 colleges in England incorporated under the Further and Higher Education Act 1992.

2. Colleges are transformational – they help people to make the most of their talents and ambitions and drive social mobility; they help businesses improve productivity and drive economic growth; they are rooted in and committed to their communities and drive tolerance and well-being. They are an essential part of England's education system.

3. Colleges provide academic, technical and professional education for young people, adults and employers. Among other things, the 288 colleges in England provide education and training to:

   - 712,000 young people aged 16 to 18
   - 1.4 million adults including 150,000 taking higher education courses
   - 313,000 apprentices[1]

The survey

4. AoC conducted a short survey of the high needs funding issues in March 2018. The survey had 7 questions. Managers from 96 colleges responded, The sample is not statistically representative but the purpose of the survey was to gather views on how the system is working or not working.

| Type	Number of responses	Number of colleges in England	Percent within type
General Further Education College	76	181	42%
Sixth Form College	11	62	18%
Landbased or Art College	9	16	56%
Special designated college	0	10	0%
Total colleges in England	59	269	36%

Numbers of students

5. The colleges who responded to the survey are enrolling a rising number of students with high needs:

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[1] AoC Key Facts about colleges 2017

	2015-16	2016-17	2017-18
Number of high need students	8,380	9,400	10,642
Average (mean) number	93	104	118

6. Colleges differ in scale and scope. There are a small number of FE colleges with larger cohorts of high needs students but this generally reflects specialist provision and does not necessarily mean the college itself is large.

Numbers of high need students per college 2017-18
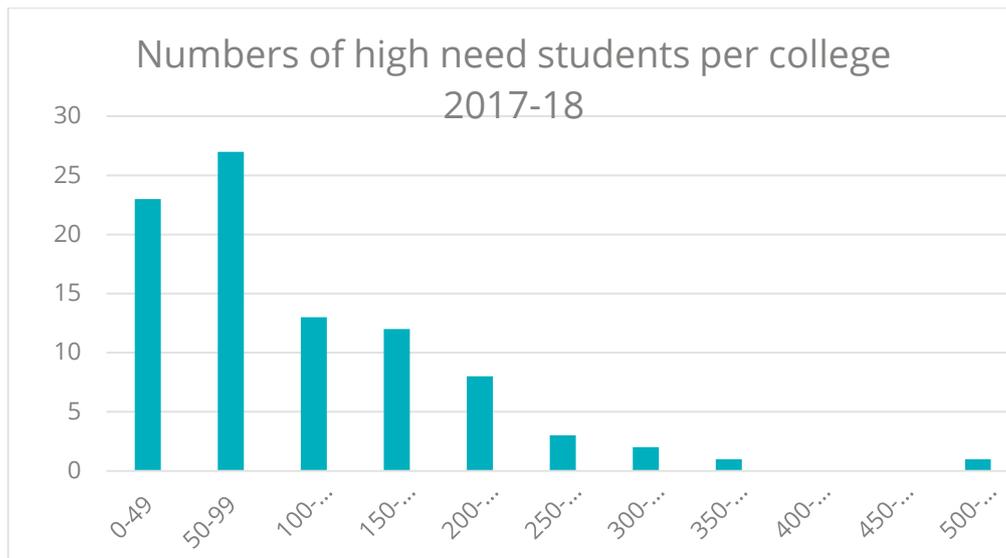
Colleges and local authorities

7. Local authorities took on full responsibility for high needs funding for people aged from 0 to 25 in 2013. Before then councils had only been responsible for high needs funding in schools. The extension of their financial role to cover all 16 to 25 year olds coincided with the introduction of a new assessment system (based around Education Health and Care Plans) and a new funding formula. In the years since 2013, local authorities have faced the challenge of providing funding for the education of rising numbers of young people with high needs at a time when the total budget is not rising as fast as costs.

8. The gap between funding and needs is proving to be particularly difficult in 2018:

- 75% of the respondents to the survey reported that their local authority is changing its policy on high needs funding for 2018-19

- 37% of respondents state that they feel the funding available will be insufficient for the college to fulfill its duties to students with EHC plans under the SEND code of practice

Changes in local authority funding practice

10.   Colleges reported a number of changes in funding practices, often involving rationing the number of places or the hourly rates used in cost calculations:

One of our 16 local authorities made a blanket decision to approve only 50% of the funding request for approximately six learners with a range of needs. They did not negotiate on an individual learner basis and refused to reconsider their position. The other 15 LAs have overall negotiated in a meaningful way. They agreed most claims; albeit for a few, more slowly than we would have liked/ the guidance suggests.

Oe council reduced commissioned places from 12 to 8 continuing students which does not allow for new applicants to the college. One local authority has stated that they will only fund students for three years post 16 and if not the first college placement, will not pay element 2 funding.

The council sets hourly rates for staff at only 2 levels and these do not reflect the true cost of our human resource   specialist administration costs are not met by some LAs

Most are questioning hourly rates for different types of support. Many are refusing to pay any admin or managerial costs. One cost that isn't included is the annual review process which is extremely time consuming and cannot be charged for. Many believe that as a student gets older and progresses through levels they need less support. They don't wish to understand that some students need more support as they move to harder courses and there are less other students to share support with in these higher level courses

11.   Many local authorities have or are introducing funding bands:

A new funding methodology with a banding system which provides transparency and simplicity but is not person-centred or individualised. This is one of the core principles of the C&F Act and Code of Practice. Ideally levels of top-up / Element 3 funding should be agreed based on the EHC plan and costing out a personalised learning programme. This new process has reduced the amount of Element 3 funding received.

A number of our local Authorities are introducing 'banding' which means that in these cases the individual costs for each learner are not met in full. Without funding, College is unable to provide some of the support felt to be necessary for removing the barriers to our leaner's success.

An ongoing sufficiency review involved restructuring of bandings that will negatively impact on revenue streams, with also a possible 25% reduction in Top Up applied only to FE

Banded costs attached to each student - some are totally unrealistic in terms of the actual costs required to provide the support as outlined by the EHCP. This discrepancy was particularly unrealistic for Deaf students who require a 1:1 BSL signer in all classes/ The banding attached was almost half of the costs incurred to support the student and provide the signers required - this has impacted upon our ability to provide an inclusive environment for Deaf students
funding allocated either comes through late, or is calculated using a banding formula which is based upon the school environment and does not translate well into the FE environment. For example a school week might be 27 hours, an FE week might be 16 - 18 hours so the cost involves a pro-rata calculation by the LA. However the true cost of the support may be very different in the FE context i.e. 16 - 18 hours of support in FE (doing a non-classroom based activity) may well be the same cost as 27 hours in a school.

12.   The process of negotiating support and costs is burdensome

Delays in receiving EHCPs   Protracted discussions about funding of support for students still without an EHCP Delays in decision making regarding students the college assesses as having needs on arrival at the college and for whom the college is providing support   Changes to what LAs will and will not pay for in terms of support and there are differences between different authorities Decisions about the funding for individuals not received until late in academic year

In 17/18 we work with 5 LA's, in 16/17 this was 7. Each LA has different processes relating to High Needs from agreeing funding to reviewing EHCP's etc. Each LA has different timescales, varying levels of communication and very few use the National Contracts despite our request that they do so.   Our situation has been compounded by the growth we have seen and therefore the number we have had over allocation which has meant element 2 places over and above our allocation funded by the relevant LA. All have agreed but evidence has been required (as expected). Operating 5 different costing models is the most difficult. We have invested significantly in the area of SEND both in terms of specialist resources (human and technology) as well as investing in SEND funding officers.

Our LA does not confirm high needs funding until at least the December after the students have started. This is making planning impossible.

As a college in London we deal with 13 local authorities. The differences vary greatly in paperwork, and what costs they will be willing to fund. Many insist on agreeing the costs before the student starts, which makes it hard to know if other learners with needs will be enrolled into their class and allow for support assistants t be shared. it is extremely difficult if a learner moves area, boroughs are slow to pass them on . and looked after children can fall into a funding black hole as the law around whether it is the originating authority that pays or the current resident authority causes issues.

The college has sign contracts for each learner when you have 200 EHCP learners is unnecessarily administrative. any push towards asking LA's to combine all learners in one contract. Some ask for the learners EHCP outcomes to be written into the contract. the same outcomes they wrote and sent to us in the EHCP.

13. In some areas, there is a perception that local authorities are favouring other providers:

The council has a £5 m million funding gap, are over reliant on ISP's, regularly lose Tribunals and are seeking to resolve their funding gap by under resourcing mainstream providers, particularly FE. They are looking to introduce a banding mechanism which will exacerbate the inequities.

The councils we deal with have quite varied administrative procedures, which can hinder effective transfer of information critical to the transition of learners. This may be based on ineffective communications within borough operations which means the college struggles to get information from schools, which then allows the authority to claim they themselves don't have information; it may be based on the faultline between pre and post 16. We have better information sharing with one council which approved 85% of our claims and worse with another which approved 13%. Uncertainty about approvals has a significant impact on our ability to plan our resources.

14. Several respondents raised concerns about how councils are writing and using EHCPs:

More and more local authorities are using SEN Code of Practice to add Colleges as named providers. There is little consultation with the Colleges with regards to individual students. The number of EHCPs that the Colleges receive mid year are very high. This results in delay in raising potential issues before the LAs' deadline. In most cases Colleges can meet the needs but with cost implications. Local Authorities are also quoting SEN Code of Practice when it comes to paying for additional Element 2 Places over the ESFA allocation and wants to negotiate how many Element 2 places they would like to fund. This has caused a huge administrative burden on Colleges as well as viability of the College to support increasing number of High Need students.

Another issue has been the quality of EHCPs. Some EHCPs are too vague with regards to what a student require or too specific and even stipulate how many hours of support a student will need while in College. Some examples are: "Student X will require minimal support while in the College. Student will need to be taught in a small group within a low stimulus environment." Obviously the College has an average class size of 18 and it is anything but a low stimulus environment. If the student is offered a place in the College there has to be a lot more than minimal support required to allow student to be in a very busy College with a large class sizes. "Student Z has mental health issues and support

from CAMHS was withdrawn due to student's aggressive behaviour and non engagement. Student can be aggressive and once triggered his actions can result in dangerous situations. Student has managed in school with occasional input from SEN team within a small class." Obviously, the same level of SEN support may result in putting this student and others at risk. But when funding, LAs question the high level of support citing previous history of support.

Conclusions and recommendations

15.   A number of conclusions and recommendations follow from the survey:

- Budgets - The high needs budget is clearly insufficient for the slowly rising number of students with high needs in colleges and the costs of their support. DfE has data on the numbers of students with high needs in schools and on costs but does not publicly forecast future demand or use this in its budget allocations. Some local authorities make unreasonable assumptions about the time and costs of the support they are required by law to fund.

- Bureaucracy – The process for assessing, commissioning and contracting high needs provision has become very bureaucratic. This is partly a result of a desire to comply with the law but it does not help that individual councils use their own documents and make little attempt to use standardized processes. The average college has more than 100 students with high needs and works with more than 10 councils. The inefficiency associated with reinventing the same wheel across more than 150 councils results in more money being spent on administration and less on support.

- Payment– College finances are under great pressure and there are restrictions on cashflow. The tendency of some councils to delay payment is very harmful and puts the entire college at risk in a few cases. It would be better for councils to make interim payments and to settle the balance when agreement has been reached.

Report compiled by Julian Gravatt, AoC
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