

Summary of Isos research proposals and Government response

1. The Isos Partnership research report was published in July and is available on the GOV.UK website¹⁸. There is much useful commentary and analysis in the report, and we commend the way the research team tackled such a complex area so comprehensively.
2. The 17 proposals in the report have formed the basis of the proposals on which we are consulting in this consultation. This annex summarises each of the 17, shows which part of the consultation covers each proposal, and sets out the Government's response to those not covered in the main text of the consultation.

Proposals: these are numbered in the order that they appear in the report	Government response
<p>1 We propose that, subject to the more detailed modelling that is now required, the DfE should consider allocating the high needs block to local authorities on the basis of a formula. We propose that this might include factors related to deprivation, prior attainment, disability and general children's health. We believe that such a formula-based approach would be more objective, and easier to explain and understand, than the current arrangements. It could be rebased annually if desired, and would correlate better with a wider range of measures of need than the current funding distribution.</p>	<p>We agree with this proposal. Building on what Isos has proposed, the Department's proposals on a formula are set out in chapter 3.</p>
<p>2 Local authorities should publish, through their local offer, a local agreement on what all schools will provide for children and young people with SEN as a matter of course. The DfE should also consider publishing clearer national directions on this subject to provide a consistent national framework against which local offers and agreements might be developed. Greater local transparency, particularly if reinforced by sharper national direction, should have the effect of clarifying expectations on the system and create greater consistency in what schools should be looking to do within the first £6,000 of additional support.</p>	<p>We agree that local authorities should aim for transparency about what mainstream schools provide in the information about the local offer that they publish for parents and others.</p> <p>We are not yet convinced of the need for further national guidance, but would welcome views on this (chapter 4, paragraphs 4.8-4.9).</p>

¹⁸ Department for Education, 'Funding for young people with special educational needs', July 2015

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3	To ensure that the base level of funding a school receives better reflects the needs of pupils with SEN, we propose that the DfE should consider modelling the impact of using the 0-15 DLA claimant measure as an additional factor in school funding formulae to better reflect the needs of children and young people with SEN. Our local authority level analysis suggests that this indicator is the most likely to offer significant explanatory power over and above measures of deprivation and low prior attainment which already feature in the formula, is available at post-code level and is regularly updated.	We have looked carefully at the possibility of including a DLA factor in the schools national funding formula. There are a number of reasons why we do not think it feasible at this stage to include a DLA factor in the schools funding formula, and this is therefore not included in the factors currently proposed for the formula – see chapter 2, paragraphs 2.77-2.78 of the schools national funding formula consultation.
4	We propose that the DfE should consider removing notional SEN budgets from the funding system for mainstream schools. We consider that any risk that the system is not yet mature enough in its approach to providing for SEN to enable notional SEN budgets to be removed could be addressed. We think that this mitigation would include clearer expectations for what all schools should provide for pupils with SEN, communicating clearly how core funding is calculated, and a simple financial planning tool to guide schools' decisions about spending on SEN.	We agree that that how local authorities currently calculate their schools' notional SEN budget is not particularly meaningful or helpful for schools. We propose to work with SENCOs, school business managers and head teachers to find out how best to help schools decide how much to spend on SEN support – see chapter 4, paragraphs 4.5-4.7 . A financial planning tool is one option that we will explore.
5	We propose that the DfE should consider providing clearer direction for local authorities on the circumstances in which they can provide additional funding outside the formula to schools, and a short menu of options for the criteria that may be used for allocating this. This would ensure greater consistency in practice and mitigate the risk that some highly inclusive or small schools are unable to meet the costs of the first £6,000 of additional support from their budgets.	Through the consultation and other feedback from local authorities, we intend to gather more information about the most effective ways that local authorities are helping their schools be more inclusive, and will produce revised guidance later this year – see chapter 4, paragraphs 4.15-4.17 .

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6	We propose that local authorities should work with providers to establish clear expectations about the support pre-school settings are expected to provide from within their core funding, and the circumstances in which additional advice, training or resources will be provided.	We agree that local authorities should do this, not least as part of developing their local offer, if there are gaps in the information for parents of young children and early years providers.
7	We propose that the DfE should set out, through existing published resources or webinars, a practical reminder of the ways in which local authorities can fund SEN provision in pre-school settings. Much of this information is already available, and some local authorities are using it effectively. Nevertheless, there would be value in providing practical reminders.	We are considering what extra information to make available, and how best to communicate appropriately to local authorities. We will consult shortly on specific measures to help LAs improve the support provided in early year settings – see chapter 4, paragraphs 4.21-4.25 .
8	We propose that there should be a more explicit role for local planning and commissioning of places in specialist settings, in which local authorities, in collaboration with schools, would play a central role. This would be in line with local authorities' statutory duties, and would provide scope to plan provision strategically to meet in-year changes and longer-term needs. The DfE may wish to consider the steps to be put in place to enable local education systems to develop such approaches.	We have already introduced this approach in the arrangements for 2016-17 allocations of high needs place funding, clarifying the flexibility that local authorities have and the process for making sure that academies and colleges are included in that. The proposals in chapter 3 envisage a continuation of this approach in future years.
9	We have also suggested that there should be a more explicit process for accessing capital funding to develop new SEN provision where it is needed. This last point applies equally to schools and post-16 institutions.	We agree. The availability of capital funding for more free schools, including special free schools, and for more specialist places for children and young people with SEN and disabilities, was confirmed in the 2015 spending review announcement – see chapter 3, paragraph 3.39 .

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10	We consider that there is sufficient flexibility within the current arrangements to support small, highly-specialist special schools, and those with highly-mobile pupil populations. We propose that local authorities should use these flexibilities, through their banding frameworks and partnership approaches, to prevent small specialist providers from becoming unviable due to short-term fluctuations in pupil numbers.	We agree that local authorities should consider the position of small specialist providers in their partnership and funding arrangements.
11	We propose that what is currently place-led funding for post-16 institutions (so-called 'element 2') should be included in the formula allocations for mainstream post-16 providers. This option would preserve the principle of equivalence in SEN funding, across the different pre- and post-16 funding systems. It is also aligned with what we are proposing in terms of reforming SEN funding in mainstream schools, and would thus ensure equivalence between the school and FE sectors.	We believe that there is merit in this proposal, though only for institutions that do not have large numbers or proportions of students with high needs, and are seeking views through this consultation – see chapter 4, paragraphs 4.26-4.30 .
12	We propose that places in special post-16 institutions should be funded at £10,000 per planned place, with top-up funding provided above this level, so that there is consistency with post-16 places in special schools. We suggest that the same approach is used to fund designated resourced provisions and units in mainstream post-16 institutions.	As above, we believe that there is merit in these proposals, including the introduction of the concept of special units in FE and sixth form colleges, and are seeking views through this consultation – see chapter 4, paragraphs 4.31-4.33 .
13	We propose that the DfE should develop and publish a set of principles or minimum standards for the effective operation of top-up funding. This could entail bringing together existing published material on top-up funding, but the DfE may wish to consider whether additional principles or standards would enable more effective approaches to top-up funding.	The latest edition of the EFA's operational guidance, published in September 2015, has helped to bring the published material on top-up funding together, and we will consider what further guidance would be helpful.
14	By the same token, we also propose that local authorities should publish information about their top-up funding arrangements, including both their banding or top-up values and their top-up <i>practices</i> , including named points-of-contact, timescales and review requirements.	We agree, and will include reference to the need for greater transparency in a future update of the EFA's operational guidance to local authorities.

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<p>15 We propose that local authorities should establish processes for accessing practical advice, capacity-building support, and top-up funding so that the statutory assessment process is not the sole means of accessing this support. Such approaches could be applied across early years settings, schools and post-16 institutions to foster dialogue, build capacity, and secure better outcomes.</p>	<p>We agree, and will include reference to the different ways that local authorities can provide this support in a future update of the EFA's operational guidance to local authorities.</p>
<p>16 We propose that the DfE should consider publishing joint guidance with the Department of Health (DH) / NHS England that clearly describes the role of clinical commissioning group leads in SEN and sets out which aspects of provision should normally be funded by education and which should be funded by health.</p>	<p>The Department of Health is exploring how future guidance to clinical commissioning groups (CCGs) can give a clearer indication of what health budgets would be expected to pay for.</p>
<p>17 We propose that the DfE should consider piloting sub-regional or regional approaches to joint strategic commissioning of provision for very high need low incidence SEN. Doing this in areas where there was a history of successful collaboration would provide a basis for testing more systematic regional partnerships.</p>	<p>We believe that collaboration between local authorities will become increasingly important. We are exploring existing practice and plans initially, and will consider how to share good practice that we identify and what other measures we can take to encourage successful partnership arrangements – see chapter 3, paragraph 3.39(c).</p>