

Meeting: Schools Forum

Date: 20th November 2017

Subject: High Needs Block Update

Report of: Director of Children's Services

Summary: To provide an update on current projected spend against budget for the financial year for the High Needs Block. The report provides an overview of current pressures and mitigation to meet the pressures identified in the report as well as current priorities for the technical subgroup.

Contact Officer: Sue Harrison

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

- 1. To note the update on the HN block spend for the financial year 2017/18**
- 2. To note the current work plan of the HN Technical Subgroup**
- 3. To note proposed action to be taken to mitigate the current forecast pressure**

Background

1. The high needs block supports provision for pupils and students with special educational needs (SEN) and disabilities (SEND), from early years to age 25, and alternative provision (AP) for pupils who cannot receive their education in schools.
2. Under the current School and Early Years Finance (England) Regulations local authorities have the flexibility to make changes to the number of places funded in maintained schools. The process to notify the Education Funding Agency (EFA) of changes to 2017 to 2018 academic year place numbers at institutions funded directly by EFA, including academies, ended on 25 November 2016 (high needs place notification process).
3. Following the publication of information about local authorities DSG allocations, EFA deduct the amount required to fund the places in those institutions that receive place funding direct from EFA from the LA overall high needs allocation (recoupment).
4. The School and Early Years Finance (England) Regulations 2017 define the local authority education budgets (the non-schools education budget, the schools budget, the central expenditure and the Individual Schools Budget (ISB)).

5. Determination of Budget Shares (Part 3, section 14 of the Regulations) states the LA must include £10,000 for each place for Special schools and pupil referral units. The latter applies to places to be commissioned by schools or directly by a local authority.

Update on spend

6. Monthly budget meetings continue to be held to review all budget lines of the High Needs Block budget. In addition, the SEND service has been working closely with other services, including the Youth Service who support pupils with SEND, to review spend against individual cases to both ensure accurate reporting and the identification of mitigation in spend pressures wherever possible.

Actions taken to ensure this budget is accurately tracked and mitigated have included: -

- A review of all budgets ensuring the accurate recording of all expenditure against the appropriate heading and budget
- A review of individual cases where other agency contributions should be sought which has resulted in additional health contribution in some cases
- The development of more detailed working spreadsheets to provide an overview of all named children with Statements/EHC plans and associate spend
- A review of all Post 16 known pupils to ensure accurate forecasting

These actions have resulted in a reduction in the forecast overspend since the September forum of just over £200,000.

This robust analysis will continue going forward with monthly meetings between the services involved and corporate finance to sense check spend and forecast assumptions. However, it should be noted that many of these budget lines remain complex with changes in small numbers of children's EHC packages potentially resulting in significant changes in spend.

One example of this is a small number of cases that have progressed to tribunal which could increase spend in some of these areas in the future depending on the outcome.

HN Forecast Spend

7. The following table sets out the Initial budget (as agreed in consultation with School Forum 22 March 2017) for the centrally retained HN Block, actual expenditure to 31 October 2017 and previous /current forecast outturn.

	Initial Budget 17/18	Spend to Date	Forecast Outturn (August)	Current Forecast Outturn	Forecast (Over) / Under-spend
Therapies	40,000	22,861	48,000	40,000	0
Statements / EHC Plans	500,000	183,909	407,727	500,000	0
Academy Statements / EHC Plans	2,334,145	2,334,145	2,613,020	2,334,145	0
Outreach and High Cost Pupils	500,000	143,104	430,000	440,000	60,000
Out of County Placements (Pre-16)	950,000	805,868	829,077	829,077	120,923
SEN Additional Pupil Support	200,000	94,567	200,000	200,000	0
High Needs Post 16	2,300,000	1,022,473	2,700,000	2,586,194	(286,194)
Access and Inclusion	100,000	64,975	100,000	100,000	0
Virtual School	283,210	195,983	283,210	283,210	0
Other Authority Top Up Payment	850,000	569,257	1,119,422	1,119,422	(269,422)
Contribution to overheads	719,280	0	719,280	719,280	0
Commissioning	1,812,014	1,204,315	1,819,403	1,838,560	(26,546)
ACB Top up	1,200,000	900,000	1,200,000	1,200,000	0
HN Block contingency	711,172	521,859	1,002,050	1,057,040*	(345,868)
Total	12,499,821	8,063,317	13,471,189	13,246,928	(747,107)

*The forecast out-turn of £1,057,040 for the HN Block contingency includes the additional recoupment for HN places for Academy special schools and provisions (£460,823), additional places and top up agreed with special schools at the March School Forum (estimated £577,855) and Ardley Hill ASD provision for the period Apr – Aug (£33k). This has then been reduced by £14,638 net income to the HN Contingency.

To summarise the table below breaks down the HN Block into the main component parts:

	Initial Budget 2017/18
Centrally Retained Funding	12,499,821
Maintained Special Schools Individual School Budget (ISB)	6,327,918
Academy Special Schools ISB	1,505,875
Maintained Schools Initial Statement allocation included in school's ISB	2,635,813
HN Block recoupment (pre September adjustments)	4,446,000
	27,415,427

High Needs Block workplan

8. The High Needs Block has faced pressure against budget for the last two financial years which is similar to the position faced by many other local authorities. There has been a rise in the number of children requiring an Education, Health and Care Plan (EHCP) locally and the associated spend around this has therefore increased.

At present the majority of spend is focused on support for children who already have an EHCP with more limited spend on early support for children with additional needs.

Over the last 12 months there has also been a rise in the number of permanent exclusions across Central Bedfordshire, including for primary age children which resulted in capacity challenges at our Alternative Provision (AP), Jigsaw (Primary provision) and the Academy of Central Bedfordshire (Secondary provision).

To work through some of these challenges and to ensure sustainable spend and quality assurance of commissions, the technical subgroup are working on a number of key issues.

Banding Review

There are currently a range of different bands used in Central Bedfordshire which vary according to the provision children are in. DfE guidance stipulates bandings should be focused on the needs of children. A draft revision of banding has been completed by the SEND team which has been shared with all special school colleagues and the technical subgroup. The evidence for the banding changes is now being further explored with a view to banding changes being agreed, costed and rolled out in 2018

Primary and Secondary AP review

There has been a movement of our primary support and day 6 provision for children who have been excluded or facing exclusions from Hawthorn Park School, with the team now managed by the local authority. Given the rise in permanent exclusions for primary aged children (several with identified SEND) and the changes in delivery of this work, a review of outcomes and delivery will take place over the coming months.

The Academy of Central Bedfordshire has now been delivering day 6 and alternative provision for secondary aged pupils in Central Bedfordshire since September 2013. A number of core objectives were established for the ACB when it was first created which have been subject to reporting to the Governing Body over the last few years. One of the key objectives in establishing the ACB was to reduce the number of permanent exclusions across Central Bedfordshire and provide a provision which would allow children to be re-integrated into mainstream schools following a period of focused and individual support for children to improve their behaviour management to allow this.

The current contract is due to run until 2018 and a formal contract review is therefore taking place to provide the framework for discussions about future deliver and sustainability of the ACB in the future.

Future SEN forecasting and SEND provision review

As well as forecasting the number of mainstream school places required for children in Central Bedfordshire, it is important to have an understanding of the amount and type of provision required for children with Special Educational Needs. A recent review of our special school provision, based on the DfE's BB104 floor space guidance has demonstrated some clear capacity challenges which need to be addressed.

Formal cross border discussions are now taking place with SEND leads nominated from neighbour LA's as well as our own to map out future forecast and need.

Historic forecasts for each type of SEN need have previously been used for forecasting purposes by applying the average percentage of each type of need against the total mainstream pupil population in the CBC mainstream pupil forecast. This methodology captures the impact of the overall growth shown in the pupil population on the need for places within SEN schools predicated on current thinking. The methodology however assumes that past practice must apply to future provision and the pressures on the high needs budget requires a different kind of thinking.

Discussions are therefore taking place about the future vision and strategy for SEND across Central Bedfordshire, including whether additional outreach support (and potential other associated support) should be offered to mainstream schools to help support inclusion of children with additional needs in mainstream settings wherever possible. Currently the majority of support for SEND is only available once children have reached the statutory assessment stage.

A greater focus on earlier intervention and support would have an impact on future growth in SEND numbers as well as supporting a sustainable budget for our High Needs Block and the implementation of the SEND reforms.

Mitigation to spend pressure

9. The forecast overspend for the HN Block will be set against in-year centrally held DSG underspend and will not impact the 2018/19 funding allocations.

However, it is important for future years that spend in the High Needs Block is sufficient to meet the needs of children in Central Bedfordshire without in year pressure arising, wherever possible. Currently the majority of the High Needs Block spend is targeted at children who have already reached the threshold of an Education, Health and Care Plan and support associated with this.

Limited spend is currently set aside for more preventative work to reduce such needs becoming more complex or directed at mainstream schools to ensure they have the confidence and support in place to meet such needs or respond to sudden changes or escalations in need of young people.

Whilst the Department of Education is currently setting out a move to the National Funding Formula by 2020/21, there remains the ability to locally

determine overall DSG funding over the next two years. It is therefore recommended that the transfer of 0.5% of the Central Schools Block to the High Needs Block for 2018/19 takes place to ensure: -

- Sufficient spend to meet the additional recoupment charges the HN Block will face from 18/19
- Meet the growth in overall SEND numbers given the rising local population
- Enable investment in additional outreach and support services to schools across Central Bedfordshire to ensure greater flexibility and immediacy in support to enable mainstream schools to adapt and meet the rises in complexity in children who can still be educated in mainstream provision.