

CENTRAL BEDFORDSHIRE SCHOOLS FORUM

Meeting: Schools Forum

Date: 12 March 2018

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 current financial year for the High Needs Block. The report also sets out initial projections of spend for 2018/19 as well as proposals (in Annex A) regarding the investment of 0.5% into the High Needs Block to support early intervention.

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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 potential pressures and actions to mitigate such pressures for 18/19 against budget**
- 3. To agree to move forward with proposed investment proposals following Headteacher review as per Appendix A**

Background

1. The purpose of this report is to outline current spend in regard to the High Needs Block (HNB) for 2017/18, highlight potential spend pressures for 2018/19 and proposed use of the 0.5% investment into the block for the next financial year.
2. There have been a number of factors that have contributed to further pressure in the HNB this year, with the biggest factor being the significant increase of children who require an Educational Health and Care Plan. In depth analysis of our local demand has been completed, which has demonstrated a 20% increase in the number of children subject to Education, Health and Care Plans over the last 2 years. This has also resulted in an increase in the rate of children who transfer to special schools since 2014. This pattern follows a national trend, however there are some areas in Central Bedfordshire which surpass the national picture.

3. Locally, we have also seen a reduction in the number of young people with additional needs who are not in Employment, Education or Training (NEET). This has increased the total number of young people who continue in Further Education who remain subject to an Education Health and Care Plan and require additional financial support. Funding to support these young people comes from the High Needs Block and has not been sufficient to meet this increase.
4. Following the Schools Forum in January, a small focus group of head teachers was convened on 21 February 2018 to discuss the specific challenges in our area, and group members' views on areas for investment that should be considered. These proposals are set out in Appendix A with a view to Schools Forum approval to proceed with implementation from 1st April 2018. A revised banding document has also been developed in collaboration with our special schools which will be rolled out in September.

Update on spend

5. Monthly monitoring of the HNB has continued with current projections showing a similar projected overspend as per the last schools forum update in January. The current forecast pressure on the block stands at £726,071. The small increase is due largely to a recent tribunal that has been finalised which resulted in an increased package of care. In addition, there are a number of children who were undergoing a statutory assessment which have now been finalised. These plans attract a top-up payment which has increases spend in this area. It is estimated that between now and the end of March there will be 25 new plans that will be finalised. This has been included in the forecast spend.

2017/18 Forecast Spend

6. The following table sets out the Initial budget for the centrally retained High Needs Block, actual expenditure and forecast expenditure to the end of the financial year.

	Initial Budget 17/18	Spend to Date	Forecast Outturn (December)	Current Forecast Outturn	Forecast (Over) / Under-spend
Therapies	40,000	32,000	40,000	32,391	7,609
Statements / EHC Plans	500,000	550,290	487,324	561,212	(61,212)
Academy Statements / EHC Plans	2,334,145	2,395,967	2,334,145	2,395,967	(61,822)
Outreach and High Cost Pupils	500,000	289,094	445,000	440,443	59,557
Out of County Placements (Pre-16)	950,000	1,175,798 <small>(some spend gets offset from Soc Care/Health Income)</small>	826,810	837,547 <small>Spend to date only shows what goes out. This figure shows the net figure once income is applied</small>	112,453

SEN Additional Pupil Support	200,000	238,164	213,868	260,027	(60,027)
High Needs Post 16	2,300,000	2,191,583	2,518,909	2,376,044	(76,044)
Access and Inclusion	100,000	83,526	100,000	100,000	0
Virtual School	283,210	135,672	273,266	259,380	23,830
Other Authority Top Up Payment	850,000	984,921	1,119,422	1,277,553	(427,553)
Contribution to overheads	719,280	0	719,280	719,280	0
Commissioning	1,812,014	1,776,373	1,838,560	1,776,373	35,641
ACB Top up	1,200,000	1,200,000	1,200,000	1,200,000	0
HN Block contingency	711,172	493,981	501,854	493,854	217,318
Recoupment	4,446,000	4,941,821		4,941,821	(495,821)
Total	16,945,821	16,489,460	17,658,616	17,671,892	(726,071)

Indicative High Needs Block budget for 2018/19

7. The High Needs Block allocation for 18/19 is **£27,617,625**. The High Needs Block budget covers a variety of different spend, some of which can be forecast with a higher degree of accuracy than others. The main part of the budget is spent on our special educational needs provisions including top up funding for pupils at special schools and associated support. The table below shows forecast spend for 17/18, indicative budget for 2018/19 and projected spend without mitigating action being taken.

	Forecast Spend 17/18	Indicative Budget 18/19	Forecasted spend 18/19(if no action taken)
Therapies	32,391	40,000	40,000
EHC Plans		500,000	500,000
Special School Outreach & High Cost Pupils	440,443	500,000	450,000
Out of County Placements (Pre-16)	837,547	950,000	926,541 (not incl income of £452k) (not incl risk of £294k)
SEN & Additional Pupil Support	260,027	200,000	200,000
High Needs Post 16	2,376,044	2,300,000	2,996,700
Access & Inclusion	100,000	100,000	100,000
Virtual School	283,210	283,210	283,210

Other Authority Top Up Payments	1,277,553	850,000	972,194
DSG Contribution to Central Overheads	719,280	719,280	719,280
Commissioned Contracts	1,776,193	1,812,014	1,812,014
ACB	1,200,000	1,200,000	1,200,000
Contingency to fund additional special school/specialist provision places	400,000	400,000	-(400,000)
Total		9,854,504	10,041,939
		Shortfall	£187,435 <i>(Assuming mitigation of contingency – i.e this isn't required)</i>

Maintained Special Schools (ISB)	6,845,672
Academy Special Schools	1,186,506
EHC funding (including maintained schools ISB)	2,355,237
Academy Statement	3,003,270
Recoupment	5,352,833
Total	18,743,518

Total High Needs Block Allocation for 2018/19 £27,617,625

Total High Needs Block Initial Forecast spend without mitigation £28,785,457

Predicted shortfall £1,167,832

(if contingency isn't required due to mitigating actions of early intervention investment)

Explanation of potential pressures in the block for 2018/19

8. There are some budget lines where we are clearer about the pressures for 18/19, however given the unpredictability of children's and young people's movement between schools some predictions remaining challenging.
9. The Local Authority has worked with Special School Headteachers to review and reform the Banding Allocations for Special Schools. The LA has concluded this review and have carried out the proposed financial modelling which will be shared with all the special school Headteachers in March. We are finalising the potential impact of this banding review; however, it is estimated that there will be a reduction of spend in this area in 18/19.

The following areas of pressure have been identified: -

Recoupment charges

10. For 2017/18, these have equated to just over £4.9 million. Initial estimates for 2018/19 are for recoupment to amount to over £5.3million – an overall increase of over £400,000. This is an area where there is more certainty as the figure is based on the return the LA made in Autumn 17.

High Needs Post 16

11. For 18/19 it is anticipated that there will be an increased number of children/young people transferring to FE colleges as well as more young people deciding to return for an additional year at Post 16 placement. Whilst these numbers have been submitted to the EFSA, incoming funding into the authority has not matched this increased demand. It is predicted that there will be approx. 50 more pupils as compared to last year. This could amount to pressure in this area of approx. £500,000.

Pre-16 Out of County Placements

12. There has been a significant rise in tribunals this year and it likely that this will continue in 2018/19. There has been a rise in the complexity of the tribunals, particularly ones regarding placement at high cost residential schools. There is therefore a predicted pressure due to the cost of placements that the LA eventually is required to fund, but also the inconsistency and difficulty in obtaining and retaining financial contributions from our partners in Health/CCG.

Provisions

13. The total number of children in our special schools will increase without mitigating action next year, as will the total required payments for top up fees. In 2017/18 we saw an increase of 32 places from the previous year. It is predicated that there will be similar increase in 2018/19 unless earlier support is offered to some of these children. There are similar predicted pressured for top up payments in other authority schools.
14. Current projections therefore demonstrate that, without further mitigations, the overall budget will continue to be under pressure for 2018/19.

Future Mitigation to spend pressure

15. Following the Schools Forum in January, a small focus group of head teachers was convened on 21 February 2018 to discuss the specific challenges in our area and group members' views on areas for investment that should be considered. These proposals are set out in Appendix A with a view to Schools Forum approval to proceed with implementation from 1st April 2018.

15. There is currently a sporadic contribution from Health especially pertaining to high costed residential placements. Further work around CBCs Joint Commissioning Strategy will need to be developed which will help with further financial commitments from Health moving forward but also help with our universal offer around health provision.
16. We have been mapping out the type of needs that are coming through for EHCPs and the rate of severity of these needs, which will help form a picture about what type of specialist provision will be needed in the coming years. In considering additional provision, we need to ensure that any such provision matches the needs of local children and is done in partnership with neighbouring authorities to understand the pattern and growth of their provision across our broader geographical area.
18. We have completed further analysis to understand the patterns of needs of our children and potential future demand. This analysis demonstrates a significant increase in the number of children diagnosed with Autistic Spectrum Conditions (ASC) with this being particularly prevalent in younger children and representing our highest area of need. As a result, additional provision will be required for this group of children as well as specific earlier support for primary age children, including appropriate strategies to help them thrive in mainstream schools wherever possible. This early support should be a key focus of the proposed investment.
19. The LA has engaged Special School Headteachers with the Special School Banding Review which has now been concluded. The intention is to roll out these changes from September 2018. A similar exercise for Mainstream Schools and resourced provisions will now be undertaken, which is planned to be concluded and rolled out through 2018/19 and 2019/20.
20. Post 16 – work with colleges will need to be carried out in relation to the significant difference in cost of additional support for young people, as compared to when they were in school, with further challenge embedded in the system around when a young person is deemed as ‘high needs’.
21. EHCP- further work to be undertaken through annual reviews for students who no longer requires an EHCP which leads to the LA ceasing the plan. This work will be focussed on Year 10s, 11s, and college placements in 18/19

Conclusion and recommendations

22. Without key mitigating actions, the HNB will continue to be under significant pressure in 2018/19. The investment proposals are necessary to support the LA and schools in bringing down pressure in this area, providing sufficient early support for schools to identify and respond to needs to prevent them escalating wherever possible.

23. The full roll out of the banding review will also support mitigations in this area.
24. The schools forum are asked to agree to move forward with the investment proposals in Appendix A so this early intervention can begin as a matter of urgency.