

Meeting: Schools Forum
Date: 11th June 2018
Subject: High Needs Block of the Dedicated School Grant (DSG)
Report of: Director of Children's Services
Summary: This paper provides an update on the final spend of DCG for 2017/2018, updated information for 2018/19
It also highlights the potential pressures on the budget based on the total spend from High Needs Block and identifies area's where pressures require revision

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Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

- 1. The Schools Forum note the 2017/2018 outturn position of the High Needs Block**
- 2. To note potential pressures and actions to mitigate such pressures for 2018-2019 against budgets**

Background

- The purpose of this report is to outline the full year outturn spend in regard to the High Needs Block (HNB) for 2017/18, highlight potential spend pressures for 2018/19 and the proposed use of the 0.5% investment into the block for this financial year.
- 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.
- It is in this context that schools forum agreed – subject to LA officers bringing forward appropriate investment proposals – a transfer of 0.5% of the schools' block into the high needs block (HNB) in the financial year 2018/19. This transfer will generate c.£835k for investment.

Update on spend

The table below shows the year end outturn for each centrally retained HNBF budget

Description	17/18 Budget Allocation £	Year End Spend £	Variance £
Therapies	40,000	34,287	-5,713
EHC Plans (funded post April)	500,000	331,689	-168,311
Special School Outreach & High Cost Pupils	500,000	420,498	-79,502
Out of County Placements (Pre-16)	950,000	819,066	-130,934
SEN & Additional Pupil Support	200,000	267,129	67,129
High Needs Post 16	2,300,000	2,218,056	-81,944
Access & Inclusion	100,000	100,000	0
Virtual School	283,210	273,715	-9,495
Other Local Authority SEND Top Up Payments	850,000	1,269,298	419,298
SDG Contribution to Central Overheads	719,280	719,280	0
Commissioned Contracts:			0
Hearing Impaired (peripatetic)	195,000	195,000	0
Visual Impairment	252,576	252,576	0
Medical Needs	643,890	643,890	0
Jigsaw Centre	450,000	423,580	-26,420
Academy of Central Bedfordshire	1,200,000	1,200,000	0
Early Years Children with Disability	270,548	270,548	0
Contingency to fund additional special school places/top up	400,000	441,528	41,528
Other HN Contingency	311,172	146,674	-164,498
Academy EHC Plans	2,334,145	2,417,188	83,043
Total	12,499,821	12,444,002	-55,819

Special School Funding & EHCP Funding

Description	17/18 Budget Allocation £	Year End Spend £	Variance £
Special School Maintained	6,327,918	6,327,918	0
Maintained School Statements/EHCP (incl ISB)	2,635,813	2,635,813	0
Special School Academy	1,505,875	1,505,875	0
Recoupment	4,446,000	4,941,821	495,821
Total	14,915,606	15,411,427	495,821

The Total spend for 2017/2018 was £27,855,429 against a total budget of £27,415,427 leaving an overspend of £440,002, funded from unspent Growth Fund.

Indicative High Needs Block Budget for 2018/19

Description	18/19 Budget Initial Allocation £	Forecast spend £
Therapies	40,000	40,000
EHC Plans (funded post April)	500,000	500,000
Special School Outreach & High Cost Pupils	388,166	388,166
Out of County Placements (Pre-16)	887,750	887,750
SEN & Additional Pupil Support	200,000	200,000
High Needs Post 16	1,484,921	2,677,000
Access & Inclusion	100,000	100,000
Virtual School	283,210	283,210
Other Local Authority SEND Top Up Payments	1,055,376	1,055,376
DSG Contribution to Central Overheads	719,280	719,280
Commissioned Contracts:		
Hearing Impaired (peripatetic)	195,000	195,000
Visual Impairment	252,576	252,576
Medical Needs	643,890	643,890
Jigsaw Centre	450,000	450,000
Academy of Central Bedfordshire	1,200,000	1,200,000
Contingency to fund additional special school places/top up	400,000	400,000
Early Years Children with Disability	270,548	270,548
Maintained Special Schools	6,676,727	6,849,839
Academy Special Schools	1,230,626	1,230,626
Statemented Pupils (incl Maintained schools ISB)	2,331,434	2,331,434
EHCP Funded Pupils	3,140,110	3,140,110
Recoupment	5,168,012	5,168,012
TOTAL	27,617,625	28,982,816

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

Total High Needs Block Initial Forecast spend without mitigation £28,982,816

Predicted potential shortfall £1,365,191

Explanation of potential pressures in the block for 2018/19

- 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 has carried out the proposed financial modelling. We will be meeting with the Special School heads in June 2018 to look at the model. This will have impact on the budget 2019 -2020. The proposal will be presented to Schools Forum on the 17th September.

The following areas of pressure have been identified: -

OLEA Recoupment charges

- Looking at the budget it can be seen that some OLEA's are charging Central Bedfordshire Council the placement cost of £10k as well as the top up funds. We will be contacting the OLEA's to advise that there is not a requirement for us to pay the placement charge and therefore we would see a reduction in the charges that will have an impact on 2018-2019 projections.

High Needs Post 16

- We have a total of 115 Pupils in Post 16 colleges with an EHC Plan that is un resourced and therefore the plan is no longer required. Senior SEN officers are working through the summer term to review these plans with a view to ceasing to maintain them, whilst at the same time ensuring that pupils that have plans that have the appropriate funds to meet needs. As part of the banding review for Special Schools, we will then move to introducing a banding system for the Post 16 colleges rather than them dictating the cost of the placement and support.

Independent Placement

- We have seen an increase in SEND Tribunals where parents are requesting independent out of county placements. A more robust procedure will be put in place by end of summer term 2018 to ensure that we have a strong case to defend the use of local facilities, thereby reducing the out of county costs.

Provision

- The total number of children in our special schools will increase unless schools take 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 pressures for top up payments in other authority schools.

- 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

HNBF Project

At a focus group there was priorities identified principles and objective set (please see appendix 1). Identified outcomes required from this project are;

- a reduction in the number of children whose needs escalate resulting in them going on to require a statutory education, health and care plan;
- a reduction in the number of children who transfer from mainstream to special school by supporting mainstream schools better;
- a reduction in the total additional costs of specialist provision and wrap around support;
- an increased number of jointly funded arrangements with the CCG;
- a reduction in the number of fixed term and permanent exclusions and associated costs; and
- a reduction in the number of out of area independent placements

Potential Projects

- To recruit on fixed term contracts one teacher and two additional support staff to work with Years 7&8 through Jigsaw offering targeted support for individual pupils in middle and secondary schools. To build capacity of two piloted middle / upper / secondary schools to deliver a sustainable nurture programme to support Year 7 and 8 students
- To implement a programme of restorative practice to all middle schools led by an expert
- To implement an outreach programme focusing on communication and interaction needs led by Ivel Valley and Chiltern Vale to support mainstream schools with children with additional needs – speech and language therapists and specialist teachers per schools. This is aimed at developing a more collaborative practice between special and mainstream schools.
- To implement a lower school programme on emotional literacy and an improved understanding of the causes of poor behaviours
- Implementation of a programme of therapy building capacity within nurseries, lower and primary schools
- To extend the remit of the Early Years' Service to go into Reception classes and support children through this transition. To pilot the use of 'temporary funding' as opposed to EHCPs being the only mechanism for these very young children

- To recruit 5 assistant EPs (one for each locality) in discussion with the PEP to support with early intervention for cognitive and communication / interaction difficulties

Next Actions

- A Meeting is taking place on Thursday 24th May to look at how schools will access the provision and ensure that there is an identified professional lead for each project. The Head of Service SEND will oversee the Projects with the SEND Manager being the operational lead.
- Recruitment is in process for the Assistant Educational Psychologists and the Teachers for the Jigsaw project.
- Early Years Team to consider the funding required for pupils for September 2018 rather than going through the EHC needs assessment process.
- Information for schools of the provision available and how they can access this to be available for September 2018.
- A feedback mechanism for reporting to the Schools forum will be devised.

Conclusion and recommendations

- 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. We will be monitoring the spend and will be updating the Schools Forum at each meeting.