

Central Bedfordshire Council

Schools Forum Special Meeting

21 February 2019

High Needs Block of the Dedicated School Grant

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Purpose of this report

To agree the HNB Budget for 2019/20

RECOMMENDATIONS

School Forum is asked to:

1. To consider the three possible options for 2019/20 spend of the High Needs Block and adopt Option 2 to make a block move of £709,109 from Schools Block to High Needs Block.

Background

2. As reported at Schools Forums throughout 2018/19 the High Needs Block has been under considerable pressure, and this will continue into 2019/20.
3. At the last Schools Forum held on 14th January 2019 it was reported that additional funding had been granted by the Secretary of State in an announcement made on Monday 17th December. This totalled £658,153 in each of two years, 18/19 and 19/20. Without this additional funding the 18/19 year would forecast an overspend by £1,549,546, and in 19/20 this would increase the forecast overspend to £2,076,511.

Options 19/20

4. The High Needs Block Allocation for 2019/20 is **£28,921,896 (to be confirmed)**. This includes the additional £658,153 awarded by the Secretary of State.
5. The forecast spend for 19/20 has been updated with effect from February 11th is shown at Table A.
6. This shows a shortfall of **£1,418,358**
7. Following the refusal of the Schools Forum at the November meeting to agree the transfer of 0.5% of the Schools Block in to the High Needs Block a request was made to the Secretary of State. This has also been refused.

8. At the January meeting the Forum requested that there should be a balanced budget presented.

TABLE A. High Needs Block Budget and Forecast Spend

Description	Indicative Budget for 18/19	Forecast Total Spend 18/19 (as at end Jan - full year forecast)	Indicative Budget for 19/20 Items marked * may change as DSG is still indicative	Forecast spend for 19/20
Therapies	40,000	65,000	40,000	59,000
Special School Outreach and High Cost Pupil	388,166	385,799	388,166	388,166
Other LA School Payments	1,055,376	1,388,138	1,055,376	1,320,303
Post 16	1,484,921	2,514,901	2,092,938	2,400,000
Out of County Residential Placements (up to age 16)	887,750	759,662	887,750	750,000
EHCP Pupils & Provisions (Academy)	3,140,110	3,140,110	3,140,110	3,140,110
EHCP Pupils & Provisions (Mainstream)	2,331,434	2,331,434	2,331,434	2,331,434
DSG Contribution to Central Overheads	719,280	719,280	719,280	719,280
EHCP Pupils (finalised in year)	500,000	500,000	500,000	600,000
Additional Pupil Support	200,000	200,000	200,000	200,000
<i>Commissioned Services:</i>				
Hearing Impaired	£195,000	£195,000.00	£195,000.00	£195,000.00
Visual Impairment	£252,576	£252,576.00	£252,576.00	£252,576.00
Medical Needs	£643,890	£643,890.00	£643,890.00	£643,890.00
Academy of Central Bedfordshire	1,200,000	1,200,000	1,200,000	1,200,000
Jigsaw	450,000	471,761	450,000	471,761
EY CWD	270,548	270,548	270,548	270,548
Additional special school / provision places funded through contingency	£400,000	£532,387	£400,000	£400,000

Recoupment*	5,168,012	5,168,012	4,658,642	5,502,000
Import / Export*	165,000	165,000	165,000	165,000
Special School Academy	1,230,626	1,230,626	1,139,182	1,139,182
Maintained Special Schools	6,849,839	6,849,839	7,808,794	7,808,794
Access & Inclusion	100,000	100,000	100,000	100,000
Virtual School	283,210	283,210	283,210	283,210
Total	27,955,738	29,367,173	28,921,896	30,340,254
Budget Allocation (includes additional Government funding of £658,153)		£28,475,780*	£28,921,896.00	£28,921,896
Total Balance		-£891,393	£0.00	-1,418,358

9. In order to achieve a balanced budget, there are **three possible options**.

Option 1

10. The Schools Forum re-considers its view on a transfer from the Schools Block to the High Needs Block and agree a transfer of £862,186 representing 0.5% of the schools Block. The impact on the AWPU is £4 per pupil. This would require additional efficiencies of £556,172.

11. If Schools Forum agree the transfer the following savings would still require to be made to balance the budget:

TABLE B

Area of spend		Forecast Total Spend 18/19 (as at end Dec - full year forecast) updated 12.02.19	Current Forecast spend for 19/20 (As shown in Table A)	New Forecast Spend	Saving
Hearing Impaired	1	195,000	195,000	149,518	45,482
Visual Impairment	2	252,576	252,576	229,629	22,947
Medical Needs	3	643,890	643,890	593,438	50,452
Academy of Central Bedfordshire.	4	1,200,000	1,200,000	1,000,000	200,000

Additional special school / provision places funded through contingency	5	532,387	400,000	227,09	172,291
Special School Outreach and High Cost Pupils	6	388,166	388,166	323,166	65,000
Total		3,212,019	3,079,632	2,523,460	556,172

Notes 1-3 Contractual Savings For 9 months of the financial year

Note 4. Reduction in Top-Ups based on contractual variation (No change to number of places commissioned. See para 13 below)

Note 5. Reduction in Contingency

Note 6. Removal of Team Teach

Option 2

12. The schools forum considers moving £709,179 from Schools Block to High Needs Block which represents 50% of the forecast overspend and represents 0.4% of the Schools Block. This leaves another £709,179 of savings to be made as follows.

Table C

Area of spend		Forecast Total Spend 18/19 (as at end Dec - full year forecast) updated 12.02.19	Current Forecast spend for 19/20 (As shown in Table A)	New Forecast Spend	Saving
Hearing Impaired	1	195,000	195,000	149,518	45,482
Visual Impairment	2	252,576	252,576	229,629	22,947
Medical Needs	3	643,890	643,890	593,438	50,452
Academy of Central Bedfordshire.	4	1,200,000	1,200,000	1,000,000	200,000
Additional special school / provision places funded through contingency	5	532,387	400,000	74,702	325,298
Special School Outreach and High Cost Pupils	6	388,166	388,166	323,166	65,000
Total		3,212,019	3,079,632	2,370,453	709,179

Notes 1-3 Contractual Savings For 9 months of the financial year

Note 4. Reduction in Top-Ups based on contractual variation (No change to number of places commissioned. See para 13 below)

Note 5. Reduction in Contingency

Note 6. Removal of Team Teach

Option 3

13. There is no transfer from Schools Block to High Needs Block.

Savings equating to £1,418,358 are taken from the High Needs Block

TABLE D

Area of spend		Forecast Total Spend 18/19 (as at end Dec - full year forecast) updated 12.02.19	Current Forecast spend for 19/20 (As shown in Table A)	New Forecast Spend	Saving
Hearing Impaired	1	195,000	195,000	149,518	45,482
Visual Impairment	2	252,576	252,576	229,629	22,947
Medical Needs	3	643,890	643,890	593,438	50,452
Academy of Central Bedfordshire.	4	1,200,000	1,200,000	1,000,000	200,000
Additional special school / provision places funded through contingency	5	532,387	400,000	0	400,000
Special School Outreach and High Cost Pupils	6	388,166	388,166	323,166	65,000
Post 16	7	2,514,901	2,400,000	1,992,938	407,062
Out of County Residential Placements (up to age 16)	8	759,662	750,000	575,000	175,000
EHCP Pupils & Provisions	9	5,471,544	5,471,544	5,416,829	54,715
Total		11,958,126	11,701,176	10,280,518	1,420,658

Notes 1-3 Contractual Savings For 9 months of the financial year

Note 4. Reduction in Top-Ups based on contractual variation (No change to number of places commissioned. See para 13 below)

Note 5. Reduction in Contingency

Note 6. Removal of Team Teach

Note 7 Reduction in Post 16

Note 8 Reduction in Out of County Placements

Note 9 1% reduction in EHC plans costs following due to reducing numbers

14. The forum is asked to consider these options and agree which should be the official forecast budget spend in 2019/20.

15. Additional Note.

The funding for the ACB for 40 places @ £10,000 and 60 places @£15,000 per place was agreed in 2017 and 2018, and it is not possible to reduce the basic number. However, the top-ups are not agreed for 2019/20, and as the provision is operating with numbers considerably below the place return of 120, the equivalent to top-up funding can be found from the placement budget.

16. Council Priorities

- Improving education and skills
- A more efficient and responsive Council.

17. Corporate Implications

18. Legal Implications

In light of the reported budget shortfall, the Schools Forum does need to make a decision as to the funding of the High Needs Block to avoid spending pressures which could result in legal claims from end users.

19. Financial and Risk Implications

All savings considered present a risk.

20. The reduction in the contingency and residential placements budgets could potentially lead to an overspend if there is a requirement to fund top ups in places required during the year, over and above the expected (and funded) places.

Whilst the 1% reduction in the cost of EHC Plans and provision does pose a small risk, the number of requests are reducing due to the early intervention work.

Equalities Implications

21. Central Bedfordshire Council and education providers have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

22. If substantial savings have to be made from the high needs block this could have a disproportionate, adverse impact on outcomes for the most vulnerable pupils.

Conclusion and next Steps

23. Mitigation work will be continued, and a further update will be brought to future Schools Forum meetings.

Appendices

24. None