

**Schools Forum
3rd July 2018**

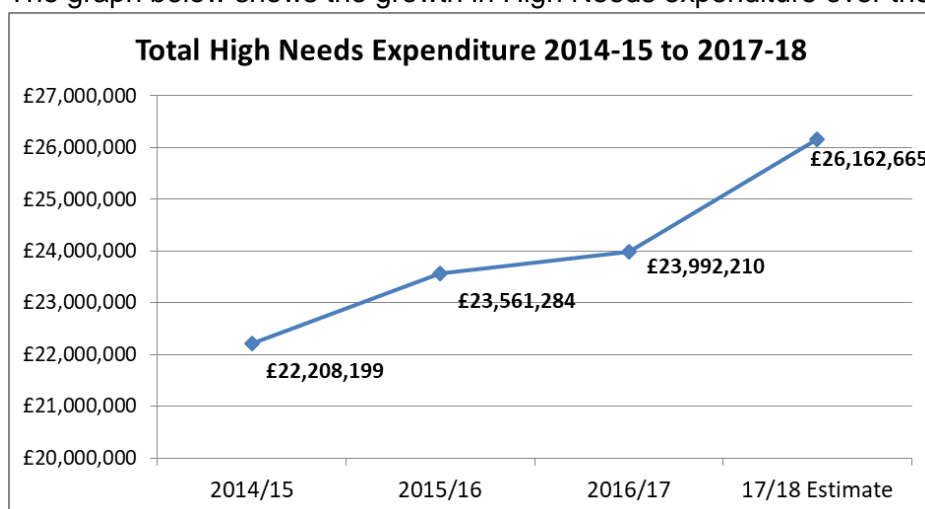
High Needs Budget

Introduction

1. The high needs budget supports provision for pupils and students with special educational needs and disabilities (SEND), up to the age of 25, and alternative provision for pupils who cannot receive their education in schools.
2. The budget is used to fund a variety of provision and activity including:
 - Out of Area agency placements
 - Out of Area specialist provisions
 - Special schools
 - ARP costs (and Enhanced Mainstream School costs going forward)
 - High Needs Top Ups
 - Post 16 SEND funding
 - Provision for Excluded Pupil

Financial Position

3. The overspend on the High Needs Block in 2017/18 is approx. £2.5m relating mostly to top up payments to maintained providers, academies and placement of children in independent special schools. Due to the b/f surplus and saving in other areas the net overspend on all DSG Blocks will be £1.4m for which a recovery plan will be required.
4. Over the last 5 years, £5m has been transferred from the Schools to High Needs Block to manage the increasing demand and associated financial pressures.
5. The graph below shows the growth in High Needs expenditure over the last 4 years.



6. Stockton's total High Needs allocation for 2018/19 is £24.665m which is part of the ring-fenced Dedicated Schools Grant (DSG) Funding from Government.
7. For 2018/19 the Government has given every local authority at least a 0.5% increase to the amount of its DSG in 2017/18 adjusted for growth in population and subject to the following adjustments;
 - a. A £1.2m baseline adjustment to reflect a change in the funding of special units and resourced provision in mainstream schools from April 2018.
 - b. An import / export adjustment for pupils in schools and colleges located in other LA areas. There is an adjustment in the high needs national funding formula of £6,000 per pupil.
 - c. An adjustment to reflect the number of pupils in maintained special schools, special academies, non-maintained special schools and post 16 institutions.
8. As part of the schools' consultation the Schools Forum approved the transfer of 0.5% (£617k) of the schools block funding into the high needs block to help offset the current level of pressures in this area. This is included in the £24.665m for 2018/19.
9. Assuming the trajectory of spend continues during 2018/19 the High Needs Block will overspend by a further £1.8m without further action.
10. The introduction of a national funding formula removes much of the local discretion on funding options. In addition, austerity and the prospect of schools facing tighter budgets over the next few years are resulting in extensive challenges locally and nationally. Resourcing additional provision for each additional young person is becoming extremely difficult.
11. It is likely that a similar DSG High Needs cash funding level will be in place for the next two years. Therefore, new and changing approaches will be needed if spending is to be contained within budget. The work will require stakeholders across the system to work together and to think creatively and flexibly about how we effectively and efficiently meet needs, which can be delivered within the required timeframe and resource.
12. It is imperative that all stakeholders recognise this significant financial challenge and, through this review, implement change that will enable us to provide the best outcomes for children and young people in a cost effective, sustainable way. All actions should support and complement the new SEND Strategy to be published.
13. The following financial outcomes need to be achieved as part of the review:
 - a. Recovery of previous years overspend as funding is ring-fenced
 - b. Removal of inherent in-year / growing overspend.

Work so far To manage the Budget

14. The Stockton Strategic Education Board considered the High Needs Funding budget at its meeting on 31st January, 2018. It received a presentation from the Senior Finance Manager and the Assistant Director Schools and SEN which outlined the the trends against:
 - a. the overall high needs spend
 - b. spend on base places Pre 16
 - c. number of base places Pre 16
 - d. spend on Pre 16 top ups
 - e. number of Pre 16 top ups
 - f. average cost of Pre 16 top up
 - g. spend on Post 16 provision
 - h. number of Post 16 payments
 - i. average cost of a Post 16 payment
 - j. spend on agency placements
 - k. number of agency placements
 - l. average cost of an agency placement
 - m. spend on out of area provision

15. The presentation also set out the work that had been undertaken so far:
 - a. Significant re-commissioning of ARPs into Enhanced Mainstream Schools
 - i. Provision of more support when children first present to mitigate need for specialist placements
 - ii. estimated savings on base place funding of £330k in 2019/20, £340k in 2020/21 & £460k in 2021/22

 - b. A Joint Commissioning Strategy is being developed to ensure the health, social care and education needs of children in the Borough are being identified through the JSNA and provision is being strategically commissioned and jointly funded.

 - c. New Edge of Care provision has been introduced to prevent high cost placements of children in care, for example, the 'My Place' provision.

 - d. Revised CMAP processes are in hand to provide more robust scrutiny of all children put forward for agency placements.

 - e. A Scrutiny Review of Inclusion led by the Children and Young People Select Committee is examining the significant rise in exclusions in Stockton. Its work includes visiting provision, interviewing key leaders

and multi-academy trusts, speaking with services, the DfE, RSC and Ofsted. Its report will be ready in June 2018.

- f. A Pupil Inclusion Panel has been established to ensure all pupils at risk of exclusion are discussed by senior school leaders in a problem solving forum with support from council services.
 - g. The Local Authority is seeking to provide more local specialist places.
16. The Stockton Strategic Education Board (SSEB) considered the information and noted the early work in hand but recognised the immense task to manage spend going forward to ensure it is within budget. It was resolved by SSEB that a thorough discussion was needed with more stakeholders to consider the information and inform action planning.
17. Invitations were sent to:
- a. All SSEB members
 - b. The Strategic SEND Development Group members
 - c. All schools and academies in Stockton, including primary, secondary, specialist providers and colleges.
18. The event was held on 20th March (initial event scheduled for 28th February was cancelled due to the snow). Over 60 colleagues attended.
19. The event enabled detailed discussions to take place and suggestions to be made around new ways of working. Table discussions were recorded and the notes circulated. The attached Appendix captures the suggestions and further thoughts:
20. Within the areas there are interlinkages and also with the Councils SWIS review of social care.
21. This represents significant work to be undertaken and consideration is being given as to the options for resourcing to ensure the agenda is swiftly progressed. In addition some work may be better conducted by task and finish groups.
22. Given the financial pressures it will be important to prioritise the work programme on those areas that will make the greatest financial impact earlier. A medium / longer term financial plan will be needed to manage the position.

Recommendation

23. The Forum support the development of an Action Plan based on the Appendix

Appendix

Specific aspect	Proposed actions	Timescales	Length of time to make impact	Significance of impact
<p>1. Share a vision for SEND children across the Local Area which is predicated on meeting needs locally.</p>	<p>SEND Strategy to be launched in summer 2018. Its 3 key expectations are:</p> <p style="padding-left: 40px;">There is a focus on the child's lived experience</p> <p style="padding-left: 40px;">Our response will be proactive early in the child's journey</p> <p style="padding-left: 40px;">We will invest in local solutions</p>	<p>To be agreed at SEND Development Group May 2018 and then launched.</p>	<p>Medium term</p>	<p>High impact</p>
<p>2. School accountability</p>	<p>Publish high needs information at a school level.</p> <p>Audit the use of funding by schools on provision and spot check spend to inform best practice.</p> <p>Costed provision maps to be signed by parents for transparency over use of funding.</p>	<p>From September 2018 data to be collated then checked with individual schools before being shared.</p> <p>From summer 2018</p> <p>From May 2018 for all subsequent referrals to One Point Panel.</p>	<p>Medium term</p> <p>Medium term</p>	<p>Low Impact</p> <p>Low / Medium impact</p>

<p>3. Provision for excluded pupils</p>	<p>Consider a local agreement with all schools that they will meet costs for excluded children until they go on roll of another school. Agreement may include a notional 'quota' of places at the PRU.</p> <p>Provision at the PRU to be revised to allow for more partnership places and short assessment and therapeutic interventions places.</p> <p>Budget for the Pupil Inclusion Panel to enable proactive interventions and support for Managed Moves.</p>	<p>To be shared with key forums through the second half of the summer term.</p> <p>From September 2018</p> <p>From September 2018</p>	<p>Medium term.</p>	<p>Low Impact</p>
<p>4. Joint commissioning</p>	<p>Closer working with Health, regarding children who may need additional support or specialist provision including consideration of contributions.</p> <p>DCO will now sit on the EHCP Panel and sign off and fund health elements of plans.</p>	<p>Immediate</p> <p>When in post from summer 2018</p>	<p>Medium term</p>	<p>Medium Impact</p>
<p>5. Post 16 funding</p>	<p>Consider funding Post 16 providers for the specified 16 hours education places and seek other funding for</p>	<p>Discussion to commence at transitions</p>	<p>Medium term</p>	<p>Low Impact</p>

	any additional assessed needs when a 5 day package is required to meet holistic needs.	Group from Sept 2018		
6. School ready	Early identification and support to be improved including that through the new Family Hubs who will sit on Early Years One Point Panel to enable direct referrals to health visitor support. Any HNF allocations to be accompanied by an EHA.	From September 2018	Medium term	Cost avoidance
7. Capacity to improve practice	Senior colleague to be seconded from school through the SEN Grant Funding to support quality assurance checks and promotion of best practice in schools including clearer expectations of the range of needs that all mainstream schools should be able to meet through notional SEN budget Updating of the "local offer"	From second half of summer term.	Medium term	High Impact
8. Specialist provision	Mapping of current pupils placed in out of area provision to determine if any can be returned.	Summer 2018	Short term	High Impact

	Minimise the numbers of children and young people leaving Stockton to high cost out of area placements	For September 2018	Medium term	High Impact
	Additional enhanced schools to be commissioned.	From September 2018	Medium term	Medium impact
	Commissioning of anxious provision as an Enhanced mainstream School to enable a new centre to be developed at Bishopton CLC (increasing capacity in Borough for PEx pupils).	From September 2018	Medium term	Medium impact
	Future Gap Analysis – identification and potential for application for a new Free School to meet needs and development of the local market and support new provision starting up in Stockton.	From September 2018	Medium term	Medium impact
	All LA officers to identify gaps in local provision to meet identified needs of children BEFORE agreeing to child remaining out of Borough (Annual Reviews and LAC Reviews)	From July 2018	Short term	High impact

9. Commissioning arrangements	Adopt clearer specifications for commissioning arrangements for specialist provisions including agency placements, review of NE12 to include schools closer to our area, individual contracts for individual children to be negotiated.	From May 2018	Medium impact	High impact
10. Early Help	Engage with the SWIS early help review and new structures so that services can be deployed better to support vulnerable children and families and prevent further need for HNF allocations.	From July 2018	Medium term	Medium impact
11. Banding system and criteria	Review arrangements including consideration and appropriateness of cluster/group/bespoke package funding. Strengthen review of funding once allocated.	From July 2018	Medium term	Medium Impact