

Schools Forum

8TH October 2019

High Needs Update

Introduction / Background

1. To provide Schools Forum with an update on the financial position for High Needs factoring in the funding announcements made as part of the recent Government's Spending Round.

Spending Pressures

2. The school budget monitoring report on today's agenda shows the in year net pressures around high needs of £876k. In particular the agency budget was set based on 63 children in placements relating to the numbers present at the time and the actual number has just increased to 77. Whilst, underlying reasons for the pressure have been explained in previous reports to the Forum, the latest pressure relates mainly to the following:-
 - a. Increased diagnosis of ASD children as health work to clear waiting lists in our area and identification of children with more complex SEMH needs. The lack of capacity means having to place out of borough and in independent special school provision.
 - b. The PRU is full meaning we are having to find alternative placements with a disproportionately high number of children having been excluded since schools return from the summer break including two at the PRU.
 - c. We also have very limited capacity in primary special school capacity, again which means children more likely to have to be educated outside of the Borough.
3. We will continue to work to progress the actions from the High Needs Deficit recovery Plan presented to the last meeting in June 2019. These together with the Whole Statement of Action following the local area SEND inspection will form the action plan for the service moving forward.
4. There is however, a high risk that these pressures will continue. Specifically, in respect of the most recent pressures that are manifesting themselves work will be progressed to accelerate the work on options for education for children with ASD which will provide quality provision in a more cost effective way. Further work is to be progressed with school leaders in mainstream provision to bolster the inclusion agenda. Consideration is being given to commissioning more local provision for

primary aged children with severe learning difficulties which includes profound and complex medical needs and young people with autism.

High Needs Funding

5. The DfE have announced that the High Needs NFF for 2020/21 will also have the same factors as at present, with £700 million of additional funding nationally. The DfE have confirmed the following aspects of the high needs NFF: -
 - a. Funding increases will be between 8% and 17% taking into account changes in the 2 to 18 year old population.
 - b. Operational aspects of high needs funding and the process for finalising local authority allocations of high needs funding and institutions' allocations of place funding will remain largely unchanged from 2019 to 2020. The operational guide is expected to be published any day now.
6. Stockton's current High Needs Block allocation in 2019/20 is £24.53m, applying the 8% increase would result in a budget increase of £2m. If the Government distributed the £700m on the same basis they allocated the £125m earlier in the year Stockton would receive approx. £2.5m. These figures should be treated with extreme caution, until we receive further information on how the increases will be built into the High Needs NFF and how the funding floors will be calculated.
7. The DfE will publish provisional high needs block allocations for 2020/21 alongside technical notes explaining the calculations in October 2019.
8. The High Needs budget unlike the schools budget announcements only refer to one years funding for 2020/21 and looks no further ahead.

High Needs Position

9. The deficit recovery plan, as presented to the last Forum, showed at the end of 2020/21 a cumulative deficit of £2.8m assuming a transfer of £1.4m from schools to high needs block. Please see Appendix 1 for the summary. Taking account of potential additional funding assumed of £2m and impact of the most recent pressures and their impact on potential savings a revised position is set out in Appendix 2 which shows a cumulative deficit of £3.6m excluding any transfer from Schools to High Needs Block in 2020/21. This is an increase of £0.8m on the planned cumulative deficit.
10. The aim would be to be closer to the original planned position in our deficit recovery plan, as submitted to the DfE and if additional funding is higher than £2m assumed that we make inroads in tackling the historic deficit. It is proposed that the £1.4m transfer from school to high needs is reduced to approximately £0.65m (or 0.5%) of the Schools Budget. This will both

support High Needs and also enable the release of £0.75m into schools budgets to be distributed via the funding formula. This will be in addition to the increased funding the Government allocates to the schools block for mainstream schools.

11. Local authorities will continue to be able to transfer up to 0.5% of their schools block to the high needs block of the DSG, with schools forum approval. A disapplication will be required to the SoS for transfers above 0.5%, or any amount without schools forum approval.

12. It is proposed that the Council consult with all local maintained schools and academies on a transfer of up to 0.5%, and the schools forum take into account the views of the schools responding before making their decision at the next meeting.

Recommendation

13. A consultation exercise is undertaken with schools and academies to transfer £0.65m (0.5%) from the schools to High Needs block.

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