

<b>Committee:</b>	School Forum
<b>Meeting Date:</b>	17 <sup>th</sup> January 2014
<b>Title:</b>	High Needs Block (HNB)
	Cheryl Sharland, Head Of Inclusive Services Michael Quinton, Service Accountant
<b>Decision making / consultative / information:</b>	Information and Consultation

### **What is the Forum being asked to decide?**

1. This paper describes the current position regarding the High Needs Block (HNB) and seeks a steer from the Forum for the future direction to manage the increased pressures on this budget.

### **Reason for recommendation**

2. We need agreed strategies to address the increased demand on the HNB.

### **Alternative options**

3. A range of proposed options are contained in the main body of this report.

### **Who will be affected by this decision?**

4. All maintained Schools, including Special Schools, Pupil Referral Units (PRUs) and also Academies and Free Schools.
5. Pupils with Special Educational Needs (SEN) and or complex needs.

### **Main body of the Report – Background**

#### **Current Position**

6. The paper presented to the Schools Forum on 28<sup>th</sup> June 2013 highlighted the increasing demand on the HNB. The current forecast is that there will be a £2.0m overspend on the £42.4m budget in 2013-14. (See Appendix 1).
7. This over commitment has been due to a number of factors including:

## **Increased demand for out of county placements**

8. In 2013/14 the number of children placed in out of county educational provision increased from 192 to 206. The most significant area of increase has been for specialist placements for pupils with social, emotional and behavioural difficulties (SEBD), Autistic spectrum disorders (ASD) and complex mental health needs.
9. These placements attract high level fees, for example: a 52 week residential placement in a special school for pupils with complex learning difficulties can cost up to £248,000 per annum, a 38 week residential placement for a pupil with complex ASD up to £114,250 per annum.
10. The out county budget has also provided in 2013-14, £90,000 to increase capacity in the SEN team to respond to the requirements of the SEND reforms, and £127,000 to the Sensory and Communication Service in order to respond to the increased demand for support for pupils with hearing and visual impairments.

## **Education Other Than At School (EOTAS)**

11. The number of pupils referred to the EOTAS has significantly increased from 235 in the autumn term 2012 to 310 in the autumn term 2013. It is not only the numbers of pupils that contribute to the increase in spend but also the length of time these pupils attend EOTAS provision with significantly more pupils attending EOTAS provision for 12 months or more.
12. The transfer of EOTAS group provision as satellites to the PRUs has required further investment to improve the quality and standard of the provision. This has inevitably led to an increased charge for a PRU placement.

## **Top Up Funding**

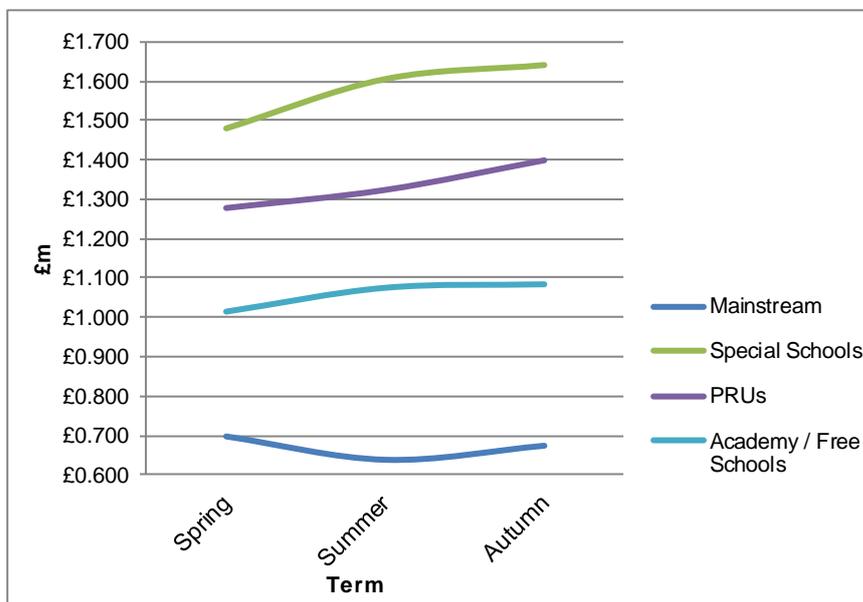
13. It was always going to be difficult to predict the impact of the change in funding from the old SEN Audit towards the new timelier termly top up funding arrangements. With Special Schools and PRUs there was an element of certainty in that if the pupil profile and numbers remained as planned the funding would remain in line with 2012-13 budgets.
14. Special Schools have been running a little below their commissioned places in 2013-14, however there has been a slight increase during the year. Some PRUs have seen a steady increase in demand and are currently running over the planned commissioned place numbers.
15. Mainstream settings, Academies and Free Schools were harder to predict and overall the funding allocated to these areas has not covered the actual expenditure in 2013-14. There needs to be further work to establish the reasons and if the numbers of pupils with Low Cost High Incidence needs have increased or there is an increased level of need? Please see below for further financial detail.

	<b>Budget</b>	<b>Spend</b>	<b>Variance</b>
Mainstream Schools Top Up	£1.6m	£1.9m	(£0.3m)
Academies and Free Schools	£2.6m	£3.2m	(£0.6m)
Special Schools	£5.0m	£4.8m	£0.2m
Pupil Referral Units	£3.7m	£4.0m	(£0.3m)
<b>Total</b>	<b>£12.9m</b>	<b>£13.9m</b>	<b>(£1.0m)</b>

Please note this table excludes post 16 top ups, however the spend will be approximately £1.5m.

### 2013-14 Termly Top Up Analysis

	<b>Spring</b>	<b>Summer</b>	<b>Autumn</b>
<b>Mainstream</b>	697,416.34	638,125.01	673,834.00
<b>Special Schools</b>	1,479,683.47	1,605,024.22	1,640,647.91
<b>PRUs</b>	1,277,493.00	1,323,455.07	1,398,705.66
<b>Academy / Free Schools</b>	1,014,417.19	1,074,923.67	1,083,745.78



### **Draft Budget for 2014/15**

16. The attached draft budget (Appendix 2) for 2014-15 includes some reallocation of HNB funding for some areas, for example:

- Looking to increase Specialist Equipment budget as currently the funding allocated is not sufficient and other areas within CYP are currently absorbing some of the costs.
- County Inclusive Resource budget to increase.
- Out of County Budget to increase so that the budget is realistic rather than an arbitrary amount that is not 'real'.
- A defined budget for Post 16 top up payments
- Reallocation in respect of changes to EOTAS provision
- Also included is a column for additional funding where it is felt that extra funding is required to ensure that the HNB is correctly resourced.

17. All of the above adjustments are not exclusive and there may need to be further moves within the HNB after further analysis. For example, looking at the larger areas of spend - top up funding, EOTAS and Out of County placements.
18. These adjustments and any future adjustments will be cost neutral to the HNB and will not impact on Schools or Early Years block funding. Obviously with the ongoing pressures in the HNB this will be difficult but it is something that does need to be looked at.

### **Short Term Strategies**

19. There are some short term strategies for resolving this gap in 2014-15, which will be reasonable for the year but do not deal with the long term increase in demand. These will include:
  - a. Use of the recurrent uncommitted funds within the school block. We would need to be specific on what these budgets are and to obtain Schools Forum agreement for any changes.
  - b. Use some of the non-recurrent funds from DSG reserves.
  - c. Reallocation of some of the additional funding allocated to Early Years in respect of 2 year old funding for 2014-15 after establishing what is needed in the Early Years block.
  - d. Development of a 'pooled fund' between education and social care placements. This should achieve more effective commissioning and more opportunity to redirect funding to develop the local offer.

### **Longer Term Solutions**

20. We will need to find longer term solutions for 2015-16 as there is no sign that the demand is flattening or reducing, and non-recurring money cannot be relied on to bridge the gap.
21. The longer term strategies will include:
  - a. Reducing the AWPU or Lump Sum so all schools contribute, shifting resources from the schools block to the HNB (this is the least favourable option).
  - b. Review and reduce top up banding rates across all settings. There will need to be further work especially looking at Special and PRU banding levels and ensuring that there is a consistent approach. However there is still no further information from the DfE regarding what LAs can and cannot do with regards to local flexibility, protection etc.
  - c. Charging: Look at charging schools more for example rolling out the Medical EOTAS model to other areas of service.
  - d. Consider an 'allocation' model for schools for PRU provision. Schools will be allocated a number of PRU places depending on their

profile of need and will have to pay for anything used over and above this.

- e. Delegation of HNB to schools and a traded service model. This would be a longer term option as we would need to ensure that there was sufficient capacity and good quality services available to respond appropriately to demand.
- f. Service redesign to reduce costs.
- g. Develop the local offer with partner agencies to reduce the need for high cost out of county placements.
- h. Increase the range of local educational provision through the Free School programme.

22. At this stage we are asking the Forum to consider these options and give a steer, any decisions will come later following detailed, worked up proposals.

### **Task and Finish Groups**

23. Two, time limited task and finish groups (EOTAS and Exclusions and Medical EOTAS and Equipment) have been established to look at how the pressures on the HNB can be managed. The groups have met and had some initial thoughts, for example considering a reasonable contribution from schools for equipment.

24. There has been some recent progress on Specialist Equipment and contributions from schools. A sliding scale has been suggested but there will need to be further work before and decision by forum can be made.

25. It has been recognised that these groups would benefit from some increased support and a more diverse and representative membership to progress this work.

### **Timeline**

26. We aim to present detailed proposals to the Schools Forum for the summer term meeting in July and also discuss with Resource Allocation Working Group prior to this.

## Appendix 1

High Needs Block	2013-2014		Variance
	FY Budget	Commitments	
CC750 - Pupil Services SEN	735,480	782,447	(46,967)
CC751 - Pupil Services Social Inclusion	886,680	694,145	192,535
CC752 - SEN Additional Provision	346,080	331,685	14,395
CC753 - Inclusive Services Management Team	67,860	304	67,556
CC754 - SEN Recoupment	(57,540)	(57,540)	0
CC755 - Psychologists	0		0
CC757 - SEN Audit - Additional	157,560	0	157,560
CC759 - Out County Education Placements	7,999,635	9,904,000	(1,904,365)
CC760 - Special Equipment SEN	77,850	77,850	0
CC761 - CYP Sensory Service Improvement	610,814	610,814	0
CC762 - County Inclusive Resource	790,890	667,236	123,654
CC763 - EOTAS - Transport	800,000	800,000	0
CC764 - Hospital Tuition - Out County	78,480	78,480	0
CC768 - Not School Net	206,280	178,035	28,245
CC770 - Specialist LSA Scheme	200,000	100,000	100,000
CC771 - PRU Support - Standing Charges	0		0
CC772 - PRU - EOTAS Support	53,060	53,060	0
CC775 - EOTAS - Salaries	2,362,555	2,374,118	(11,563)
CC776 - EOTAS - Contracts	895,617	1,548,669	(653,052)
CC777 - EOTAS - Income	(550,000)	(652,356)	102,356
CC778 - EOTAS - Resources	113,050	151,008	(37,958)
CC779 - EOTAS Medical	0	652,356	(652,356)
CC780 - Mainstream School - Top Ups	1,600,000	1,882,984	(282,984)
CC781 - Special School - Top Ups	5,019,364	4,836,660	182,704
CC782 - PRU - Top Ups	3,732,468	3,999,654	(267,186)
CC783 - Academy & Free School - Top Ups	2,575,388	3,186,851	(611,463)
GK003 - Special Schools I.S.B.	6,240,000	6,240,000	0
GK005 - PRU ISB	2,033,370	2,033,370	0
GK008 - Specialist units I.S.B.	2,050,000	2,050,000	0
CK766 - Contingency SEN	3,419,468	1,920,874	1,498,594
<b>Total</b>	<b>42,444,409</b>	<b>44,444,703.58</b>	<b>(2,000,295)</b>

## Appendix 2

High Needs Block	2013 -14 Budget	Removed	Added	2014-2015 Budgets	Comments	Additional Funding ?
CC750 - Pupil Services SEN	735,480			735,480		
CC751 - Pupil Services Social Inclusion	886,680			886,680		
CC752 - SEN Additional Provision	346,080			346,080		
CC753 - Inclusive Services Management Team	67,860			67,860		
CC754 - SEN Recoupment	(57,540)			-57,540		
CC755 - Psychologists	0			0		
CC757 - SEN Audit - Additional	157,560	(157,560)		0	Move in to Top Up Funding	
CC759 - Out County Education Placements	7,999,635		787,555	8,787,190	Increase budget to reflect activity	1,000,000
CC760 - Special Equipment SEN	77,850		72,150	150,000	Increase to reflect activity and increase in equipment	
CC761 - CYP Sensory Service Improvement	610,814			610,814		
CC762 - County Inclusive Resource	790,890		200,000	990,890		
CC763 - EOTAS - Transport	800,000			800,000		
CC764 - Hospital Tuition - Out County	78,480			78,480		
CC768 - Not School Net	206,280			206,280		
CC770 - Specialist LSA Scheme	200,000			200,000		
CC771 - PRU Support - Standing Charges	0			0		
CC772 - PRU - EOTAS Support	53,060			53,060		
CC775 - EOTAS - Salaries	2,362,555	(1,169,237)		1,193,318		
CC776 - EOTAS - Contracts	895,617			895,617		
CC777 - EOTAS - Income	(550,000)			-550,000		
CC778 - EOTAS - Resources	113,050	(33,000)		80,050		
CC779 - EOTAS Medical	0			0		
CC780 - Mainstream School - Top Ups	1,600,000		90,000	1,690,000	Early Years transfer for Reception top ups	} 1,500,000
CC781 - Special School - Top Ups	5,019,364		157,560	5,176,924	Increase for Top Up Funding	
CC782 - PRU - Top Ups	3,732,468		1,193,370	4,925,838	Increase in relation to changes in EOTAS provision	
CC783 - Academy & Free School - Top Ups	2,575,388			2,575,388		
GK003 - Special Schools I.S.B.	6,240,000			6,240,000		
GK005 - PRU ISB	2,033,370	(177,370)	464,000	2,320,000	Increase due to changes in EOTAS provision / reallocation in to Top ups	250,000
GK008 - Specialist units I.S.B.	2,050,000			2,050,000		
CK766 - Contingency SEN	3,419,468	(3,137,468)		282,000	Redistribute funding in to HNB	
CC790 - FE Top Ups	0		1,800,000	1,800,000	Top Up funding for Post 16 now to be met from HNB	
<b>Total</b>	<b>42,444,409</b>	<b>(4,674,635)</b>	<b>4,764,635</b>	<b>42,534,409</b>		<b>45,284,409</b>