

Schools Forum – 26 March 2018

Update on the High Needs Block Recovery Plan

Recommendations

1. That the Schools Forum notes this report.
2. The progress of the High Needs Recovery Strategy Group is noted by Schools Forum.

Report of the Deputy Chief Executive and Director for Families and Communities

PART A

Why is it coming here – what decision is required?

3. To notify Schools Forum of the work being undertaken to remove the overspend within the High Needs Block and the need for a combined strategic approach with all education providers to meet the financial challenges as previously notified. No further decisions are required.
4. As reported previously, failure to mitigate the high needs overspend in 2018/19 will mean that a 0.5% funding switch will be required from the Schools Block to the High Needs Block in 2019/20. This would amount to £2.4m based on 2018-19 DSG allocation.
5. The High Needs Recovery Task Force was convened and has now met 3 times and explored a range of options available for recovery of the High Needs Block overspend. The discussions have explored the benefits and risks attached to the withdrawal or reduction of a number of areas of funding. These include options for distribution of the Additional Educational Needs funding (AEN), reduction in the overspend for out of authority Special School placements and options for addressing the overspend in alternative provision. Further work will be done on these areas as well as a number of other areas including top-up funding for post-16 independent provision.

6. The current High Needs forecast overspend is driving a number of discussions around potential options to manage the funding within the financial envelope available. There are already Transformation projects taking place to pilot alternative ways of working and it is becoming apparent that there are ideas within these that will link directly with the High Needs Recovery plan including the Transformation Prototype in Leek, the new prototype in South Staffordshire and the planned Early Years prototype. The function of the prototypes is to consider a more localised approach to SEND provision leading to early intervention for pupils identified with SEND. The plan is that, because of the early intervention, there will be less recourse to requests for EHCPs.
7. No financial modelling has yet taken place to quantify the financial implications of these, however when this has been done, and the impact evaluated, this may influence future decision making or further conversations around other ideas going forward, such as locality control of additional educational needs funding to reduce the requests for EHCP assessments which have grown over the last 3 years (Table 1).

Table 1

Academic Year	Requests for EHC Assessments	EHC Assessments completed
14/15	609	321
15/16	889	541
16/17	1,052	617

8. It is planned that the Prototypes will lead to a reduction in the requests for EHCPs and consequent Special School pressures resulting in the large percentage growth in special school placements compared to the growth in primary population and the reduction in secondary school population (Table 2).

Table 2

School Type	Jan 2012	Jan 2017	Percentage Increase
Primary	57,911	62,725	8.3%
Secondary	48,613	45,506	-6.4%
Special	1,607	1,950	21.3%

A panel has also been introduced, to review permanent exclusions, in order to reduce alternative provision costs where demand for places has grown, greater than the growth in primary and secondary. (Table 3).

Table 3

School Type	Jan 2012	Jan 2017	Percentage Increase
Primary	57,911	62,725	8.3%
Secondary	48,613	45,506	-6.4%
PRU	171	204	19.3%

Currently, discussions are also taking place around reducing costs, on independent special school placements, through a planned joint social care, health and education review panel. Discussions have also commenced with Staffordshire maintained and Academy Special Schools to review the funding of Special Schools in order to seek to reduce the pressure on exceptional needs funding (EN).

PART B

Background

9. The financial risk within the High Needs service has been previously notified to Schools Forum and no further information is available. The 2016/17 outturn was £2.5m over budget before planned use of reserves. This has mainly arisen from an increase in numbers and, as a consequence, costs relating to high needs top-up

funding to pupils in both mainstream, known as Additional Education Needs (AEN), and special schools, known as Matrix funding.

10. The indicative allocations within the National Funding Formula (NFF) have identified that there will be an additional £2m added into the High Needs Block in 2018/19, rising to an additional £3.8m added in for 2019/20. These figures include the additional allocation as a net importer of SEND pupils in special schools.
11. The forecast overspend for 2017/18 is estimated to be £4.96m rising to between £4m - £7m in 2018-19 based on current trends. The Direct Schools Grant (DSG) balances currently stand at £8.4m, if these overspends are realised the DSG balances would then be in deficit.
12. If the strategy is unsuccessful the DSG balances would be brought into deficit. The financial pressures within the County Council means the likelihood is there will be no funding available from the local authority.
13. This will mean, as previously notified, that in 2019/20 we would need to switch 0.5% from the schools block to the High Needs block.

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Appendix 1 – list of membership

High Needs Recovery Task Force - Membership

Name	
Pirt, Graham (People)	Interim Education Lead for Vulnerable Learners 0-25
Allbutt, Kevin	Headteacher, Leek First School
Barnes, Alison (F&R)	Senior Finance Business Partner
Boyle, Sarah (F&R)	Accountant
Calverley, Lesley (F&C)	Senior Commissioning Manager - SEND
Cathryn Plant	Entrust
Cranidge, Emma (F&R)	External Reporting Manager
Denise Haney	Newcastle under Lyme College
Kirsty Rogers	Headteacher, Kettlebrook School
Hobson, Karl (F&C)	County Manager
Knight, Rebecca (F&C)	Lead SEND/Inclusion Monitoring Officer
Leake, Helen (D,L&T)	TSU support and facilitation
Levell, Karen (F&C)	Head of SEND Assessment and Planning Service
Moss, Tim (F&C)	County Commissioner for School Quality Assurance and Intervention
Pitt, Sara (F&R)	Strategic Finance Business Partner
Platt, Danielle (S,G&C)	TSU support and facilitation
Elizabeth Banks	Headteacher, Redhill School
Chris Best	Headteacher, The Meadows School
Whelan, Wendy	Entrust
Baines, Anthony (E,I&S)	County Commissioner for Skills and Employabilty
Beaumont, Laura (S,G&C)	Portfolio Manager
Matthews, Alison (E,I&S)	Skills & Further Learning Officer
Mills, Paul (E,I&S)	Skills & Further Learning Officer
Takhar, Tally (E,I&S)	Skills & Further Learning Officer