

**Report to:** Schools Forum

**Date of Meeting(s):** 28<sup>th</sup> January 2016

**Subject:** School Funding Formula (SFF) 2016/17 – High Needs Block Budget

**Report of:** James Winterbottom – Director Children and Families

**Contact Officer:** John McDonald Strategic Finance Manager

**Summary:** To update Schools Forum on the High Needs DSG allocation

**Recommendation(s):** For Schools Forum to note the contents of the report

**Implications:**

*What are the **financial** implications?* n/a

*What are the **staffing** implications?* n/a

**Risks:** n/a

Please list any appendices:-

Appendix number or letter	Description
N/A	

## **1. Introduction**

- 1.1 The Department for Education (DfE) issued the 2016/17 Dedicated School Grant (DSG) allocations on the 17 December 2015 for the Schools Block, High Needs Block and Early Years Block. The allocation for Wigan with regard to the High Needs Block is £26.473m. This compares with the 2015/16 high needs block funding of £25.938m. This includes Post 16 Funding paid direct to institutions, resourced units and AP provision in academies. The estimated figure after the deduction of direct funding from the EFA is £22.905m. For 2016/17 the Education Funding Agency (EFA) has again rolled forward the published 2015/16 academic year place numbers as the basis for 2016/17.
- 1.2 The increase in allocation is due to the DfE awarding an additional £92.5 million of funding which has been distributed across all local authorities, using a methodology based on 2 to 19 year old population data. Wigan has been awarded an extra £0.535m for 2016/17.

## **2. 2015/16 Financial Position**

- 2.1 As reported at the last meeting of Schools Forum it is forecasted that there will be a significant deficit for 2015/16. The High Needs block outturn for the previous two financial years was favourable. This was partly due to the uncertainty around need and demand. The pressure on this block of funding is not a local issue but is recognised nationally as an area that is underfunded hence the review by the DfE and the extra allocation for 2016/17.
- 2.2 The two most significant areas of growth and financial pressure are the costs associated with Independent School Fees and Post 16 provision.

### **Post 16**

- 2.4 From 2013/14 to 2015/16 there has been a 138% increase in students being funded who are opting for educational placements rather than social care and a large increase in 16/17 years olds not previously stated who are assessed as having SEN needs. We have an obligation to fund these students and this area of work is a target area for the new inspection framework.
- 2.5 We currently have 462 students on our caseload compared to 194 three years ago and unfortunately we do not see that number reducing in the next few years and expect it to rise.
- 2.6 We are developing local provision to help meet demand as an alternative but in the interim, we will see an increase in our budget until the post 16 landscape is more secure. Although we are seeing movement from social care to education and this is currently putting pressure on our budget this shift could, in relation to the council's overall finances improve the situation going forward. We are investing in the development of the Supported Internship Programme which in the long term will have a positive impact on young people's lives as they become more independent and move away from reliance on local authority services.

## **Independent School Fees**

- 2.8 There are a number of emerging issues that have put additional pressure on the independent school budget. When you compare the numbers placed between 2012/13 to 2015/16, there has been an increase of 48% (29 to 43)
- 2.9 The majority of growth is around children and young people (C&YP) displaying EBSD and ASC (PDA appears to be an emerging issue). In respect of the latter, this is particularly around C&YP who are higher functioning and presenting behaviours whose mainstream placements have become vulnerable. In addition, there has been an increase in the number of C&YP referred to Newbridge LC, with the school now operating at full capacity.
- 2.10 There has also been an increase in C&YP with severe complex needs with extreme challenging behaviours, and as their needs have not been met within Wigan's maintained special school this has resulted in costly placements.
- 2.11 Overall, there appears to be an increase in mainstream schools feeling unable to meet the needs of C&YP which is resulting in an increase in referrals to maintained special schools, which has resulted in capacity issues across the range of provision.
- 2.12 There is ongoing work to develop extra EBSD provision, particularly Key Stage 4 (e.g. off-site provision managed by Newbridge LC).
- 2.13 The SEN service manager is also reviewing maintained special school provision to consider capacity and seek clarity around provision they offer so that as far as possible, needs of all C&YP should be met within our provision.

## **3. 2016/17 Budget**

- 3.1 A working group with LA representation from a number of different areas SEN, Education, Post 16, Independent Provision, Commissioning and Finance has been looking at how we can address the growth/pressure within the block and a number of areas are currently being reviewed.
- 3.2 A revised budget for 2016/17 is proposed in the table 1. (Please note that the final detailed allocations for special and mainstream schools will be issued in early February.)

**Table 1**

<b><u>High Needs Funding Block</u></b>	<b>£m</b>	<b>£m</b>
	<b>2015/16</b>	<b>2016/17</b>
1. Maintained Special Schools	12.678	12.797
2. Statements	2.000	2.000
3. Sensory/TESS	1.651	1.485
4. Independent Special School Fees	1.600	1.940
5. Post 16 Base Funding Top Up Funding (External)	1.300	2.000
6. Alternative Provision (Top Up Funding)	1.106	0.970
7. Support Services	1.063	1.035
8. Resourced Provision	0.481	0.406
9. Contingency	0.240	0.000
10.Children in Care Team	0.172	0.172
11.Disproportionate SEN allocation	0.100	0.100
	<b><u>22.391</u></b>	<b><u>22.905</u></b>

**notes**

1. Maintained Special – Increase in numbers.
3. Support Teams (Sensory and TESS) – both areas are being reviewed and a minimum of a 10% efficiency will be required in 2016/17.
- 4 & 5. Increase to Independent School Fees and Post 16 is based on current numbers and projections – (see detail above)
7. Support services (recharges) will form part of the review of the Sensory and TESS teams.
8. Resourced Allocations – numbers have been reduced as it is forecasted a number of units will not be fully occupied in 2016/17. The SEND Manager has met with those schools with units and they are aware this will reduce their funding.
9. Contingency - this fund was to support special schools which requested extra support under exceptional circumstances and met a set of defined criteria. It was also used to fund any other exceptional expenditure across the block.

**4. National Update**

- 4.1 There is no further detailed information as regards the future of the High Needs Block.

**5. Conclusions**

- 5.1 Forum members to note the contents of the report.