



Report to: Schools Forum

Date of Meeting(s): 11th January 2018

Subject: School Funding DSG – High Needs Block

Report of: James Winterbottom – Director Children and Families

Contact Officer: John McDonald Strategic Finance Manager
Cath Peeling Service Manager

Summary: To update Schools Forum on the High Needs DSG allocation for 2018/19 and the proposed budget allocations. To provide an update to members on the budget pressures on the High Needs Block. To provide a verbal update on the Strategic Review of SEND.

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

Implications:

*What are the **financial** implications?* Projected deficit of £1m for 2017/18 and £660k for 2018/19

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

Risks: n/a

Please list any appendices:-

| Appendix number or letter | Description |
|---------------------------|--------------------|
| A | Budget Information |

1. Introduction

- 1.1 The Department for Education (DfE) issued the 2018/19 Dedicated School Grant (DSG) allocations in December 2017 for the Schools Block, High Needs Block and Early Years Block. The allocation for Wigan with regard to the High Needs Block is £24.527m. The 2017/18 amount was £23.531m. The formula initially awarded an extra £0.773m and the final allocation also takes into account actual numbers from the last census and includes the 0.5% uplift.
- 1.2 The allocation for 2018/19 is now based on the new formula factors as reported to Forum previously.

| |
|--|
| <u>(A) Basic entitlement factor (9%)</u> |
| <u>(B) Historic spend factor (41%)</u> |
| <u>(C) Population factor (25%)</u> |
| <u>(D) FSM factor (5%)</u> |
| <u>(E) IDACI factor (5%)</u> |
| <u>(F) Bad health factor (4%)</u> |
| <u>(G) Disability factor (4%)</u> |
| <u>(H) KS2 low attainment factor (3%)</u> |
| <u>(I) KS4 low attainment factor (3%)</u> |
| <u>(J) Funding floor factor (0%)</u> |
| <u>(K) Hospital education funding (0%)</u> |
| <u>NFF allocation before import/export adjustment (100%)</u> |
| <u>(L) Import/export adjustment (-1.8%)</u> |
| <u>2018-19 high needs NFF allocations before gains cap</u> |
| <u>2018-19 high needs NFF allocations after calculation of gains up to 3% per head</u> |

2. Budget Detail 2018/19

- 2.1 Members have asked for a detailed breakdown of the budget lines and proposed budget for 2018/19. Appendix A contains detail on a number of the more significant areas of the budget – Section 3 provides a summary narrative of each area detailing what the pressure is and how the local authority is addressing managing the demand and making efficiencies where possible. We project an overspend of £1m for 2017/18 and even with the extra funding for 2018/19 we are project a £0.6m shortfall in funding (before any savings but not accounting for any growth in numbers). In the report below there are a number of areas we will be looking to make efficiencies to help fund the deficit.

- 2.2 We would hope that the independent strategic review of our High Needs / SEND will help us manage the services better and gain some efficiencies, but with ever growing pressures, largely through parental demand, and with the new EHC s driving up expectations, together with earlier diagnoses of SEND across younger children, the pressures on HN will continue to grow. This is against overall funding to authorities not recognising the growth in this area nationally.
- 2.3 There is also growing demand for young people staying on to 6th Form and further education, which also increases the cost of top ups. As with most local authorities post 16 funding has always been inadequate since the High Needs funding regime was introduced some years ago. This issue has never been addressed. It is also really unhelpful that the DfE refuse to recognise the demand pressures across the maintained sector for High Needs places, instead of asking Local Authorities to use their 'flexibilities' within their existing funding. The government has announced some extra funding for supporting internships and we await further details on this.
- 2.4 Whilst we are confident there are some efficiencies that probably could be made, there comes a point when demand is difficult to manage and requires extra funding. The recent ADCS survey report on High Needs makes for interesting reading and certainly mirrors our own position. This is attached as a separate agenda item.

3. Budget Detail

Maintained Special Schools (& Outreach)

Extra £0.5m required for 2018/19. (THIS IS BEFORE 1:1 SUPPORT AND CONFIRMATION OF ACTUAL NUMBERS). In April 2015 we had 651 places in special schools this has now increased to 718. The average place is £20k+

What is the cause of the financial pressure?

- Increase in numbers
- Increased requests for additional funding for 1:1 support
- Parental choice
- Budget pressures within mainstream schools

How are we addressing the pressure and what are we proposing?

- Proposed introduction of Engagement Centres funded by the Council
- Capital investment bid for special schools expansion
- Reducing out of borough placements
- Review banding system and funding for special schools
- Outreach reduced by £100k in 17/18 but service still under review
- Challenge 1 to 1 support requests or cease all 1 to 1 and schools must operate within the financial envelope

Financial Risks

- Pupil number projections (Growth)
- Increase in complexity of needs and capacity issues within mainstream schools
- Engagement centres not effective

Post 16

Despite increasing the budget for this area we continue to see increased demand for places. An extra £0.527m is required for 2018/19 based on current estimates. As mentioned in section 2 the government have changed the policy but failed to fund the additional pressures.

What is the cause of the financial pressure?

- Significant increase in Year 11 referrals for a plan as young people move in to post 16 as families are becoming more aware of their right to request support.
- 8 students in independent specialist schools that normally would have left education at 16 but are now seeking education in that setting rather than move into social care.
- Internships - The DfE are very keen to promote supported Internships as a Pathway for young people with SEND. Due to this parents/carers, young people are requesting this opportunity which is also increasing the post 16 cohort.
- A number of leavers from Wigan and Leigh College who now wish to take up a SI which has not been a consideration in the past.
- The number of young people accessing Post 16 provision has risen from 130 (14/15) to 258 (17/18)

How are we addressing the pressure?

- Subject to an internal audit to identify potential areas for efficiencies
- Further review of internal process, demand and provider costs required

Risks

- Pupil number projections (Growth) – numbers continue to increase

Independent School Budget

Current projections show potential to reduce the budget by £0.184m.

Our vision is to for all children to be able to be educated within the borough but currently our offer and capacity is limited to do this. We are also looking to place Wigan children in Wigan and trying to return children from Independent Provision where it could improve their outcomes.

Risks

- Demand management - Any increase in placements breaking down within mainstream schools and special schools may mean we need to use external provision
- The rate at which the proposed special school expansions are developed.
- There appears to be an increase in number of children displaying communication and interaction difficulties, anxieties which appears to be on the increase

EHC Plans

Extra £0.180m required in 2018/19 based on latest numbers.

What is the cause of the financial pressure?

The number of plans with a financial package has increased as shown in the appendices attached. Schools are more aware of the process and are now encouraged to apply for EHC plans as a financial package may be attached.

How are we addressing the pressure and what are we proposing?

- Reviewing the effectiveness of plans and the consistency regarding financial allocations
- SEND team attend RDPs where possible
- New training on identification of SEND
- Review of banding and how funding is awarded

Risks

- SEND Pupil number projections (Growth) – 15/16 420 plans 18/19 465 plans based on latest numbers. The average value of a plan in this period of time has risen from £3,932 to £4,041.
- Schools needing extra support when Ofsted judgement is RI/ Inadequate.

Alternative Provision

Request to ESFA to reduce numbers to release base funding.

At present the authority commission 184 places from our AP provider Three Towers. Base funding is provided at £10k per place from the ESFA and the authority top this up by a further £4,877 per place. This was fixed for 2 years when the provision transferred to an academy. The authority now wish to negotiate a different offer. We need to work more creatively within the borough to find solutions in partnership with

our schools for children in KS4 and those accessing medical needs. We believe that we can find a more creative, suitable and financially viable offer to support these children. The needs of all of our young people are not being met effectively and it is not an efficient use of our funds. We work very closely with our secondary head teachers and have come up with some innovative ways to do things differently. We need the finance to be flexible and to encourage other provision within the borough.

Risks

- The rate of permanent exclusions continues to increase and we don't have enough provision.
- Schools do not cooperate with the new offer and continue to request removal from school.
- Other services don't support the need for pupils to remain in school.
- New providers don't emerge or are poor quality.
- Introducing charges for all PRU places (not medical needs) in addition to the AWPU

Sensory Support

No increase to budget for 2018/19. The service is funded from a £95k contribution from the Council and the rest from the High Needs Block.

Summary of the service

We work collaboratively with schools to provide effective support for children with hearing loss and/or visual impairments to ensure that they can access the curriculum and achieve the best outcomes possible

Our support teachers provide support according to the individual needs of each child including:

- Direct teaching support as required
- Regular liaison with the SENCO and class teacher about the implications for access to the curriculum and advising on strategies and differentiation
- Regular liaison with allocated school support staff and providing ongoing training in the support of a child with a hearing loss or visual impairments
- Carry out an environmental audit of the environment providing recommendations to schools on modifications or equipment
- Provide advice on any health and safety implications

We intend to review the service in early 2018 in terms of the non-statutory offer and to assess if the use of funding is efficient, effective and value for money.

Risks

- Increased pressure on Schools SEN budgets

- Pressure from national groups such as NDCF (National Deaf Children's Society) to maintain capacity and to not reduce budget spend.

Targeted Educational Support

No increase to budget for 2018/19. The TESS team is supported by a contribution from the schools block under de-delegation and also charges for additional services which generates £0.250m of income.

Summary of the service

The Targeted Education Support Service (TESS) works in partnership with schools and other agencies, within a framework of inclusion, to provide;

- support to pupils, parents and schools where there is a concern which may have an effect on the young person's wellbeing and their achievements in school.
- helps schools identify young people's needs,
- develop interventions and secure positive outcomes.
- support children's learning by giving advice, training and modelling best practice to schools and families.

We intend to review the service in early 2018 in terms of the non-statutory offer and to assess is the use of funding efficient, effective and value for money.

Risks if budget reduced

- Increased pressure on Schools SEN budgets

Contributions to other Support Services e.g. Children in Care, SEND team, Ethnic Minority Achievement Service, Early Years SEND.

EMAS – this is a team of teaching staff and family liaison officers working as a link between schools, young people and families whose first language is not English or who are of Gypsy or Traveller heritage.

Early Years SEND - there is a variety of support, training and provision that parents and early years providers can access. These include: Early Support, Portage and Specialist Support Services including Health Visitors, Educational Psychologists, Therapists, Specialist Teachers of the Deaf or Visual Impairment or Early Years Development Support Workers, Autism, who may visit families at home, to provide practical support, answer questions and clarify needs.

Children in Care VST - make sure that children in care with SEND get an appropriate education to meet their needs and help them fulfil their potential.

Our virtual school brings together information about all children who are looked after by the council - as if they were in a single school. It allows us to closely track each child's progress and ensure we can identify the specific support they may need at an early stage, so we can work with individual schools to implement any actions.

As the corporate parent of Children Looked After (CLA) we have a duty to provide the kind of support that any good parent would provide for their own children.

These areas have been reviewed and savings have been made to address increases in pressures in other parts of the budget. The review of these services contributed to £164k of savings in 2017/18.

Resourced Provision

The Children and Families Bill is clear that wherever possible children and young people with SEND should be taught in mainstream schools.

Specialist resourced provision is currently offered in the following mainstream schools:

- Douglas Valley 1 Place
- Hindley (Surestart) 1 Place
- Hindley J&I - 4 places
- Platt Bridge - 5 places
- Westfield - 9 places
- Hindley High - 6 places
- Hawkley High - 13 places

For 2018/19 resource provision places will not be removed from the APT and will be funded via the schools block with top up provided via the high needs block.

The number of places offered reduced in 2016/17 but a full review is required to measure the effectiveness of the provision and VFM. Currently places are funded at £16k per place.

Equipment

There are two elements to SEND equipment budget;

SEN equipment such as chairs and accessories to ensure the pupil is safe within the chair, class chairs, and electric chairs, toileting equipment, hoist's, slings, changing beds etc.

Communication aids such as i-Pads, i-Tune vouchers, and software programmes that allow pupils with limited or no speech to communicate through the i-pad with teachers and their peers.

All requests for support come via the SEND team and are monitored by our Corporate Property section. We propose the budget is realigned in line with projected spend for 2017/18. We will also meet with Health colleagues to discuss better joint commissioning.

Disproportionate SEND

We propose a further £50k be allocated to this budget as more schools are meeting the criteria. We will add additional conditions so we know exactly how the funding has been spent. We hope the extra funding helps schools to support children in the mainstream setting environment,

The initial qualifying criteria is that a school must have a greater proportion of high needs pupils (EHC plans) compared with numbers on the roll than the specified threshold (40% above the specified average for each sector). The proportion above the threshold is then multiplied by £6,000 to give a potential annual allocation which would be adjusted on a termly basis for a revision to numbers. However before any allocation is approved an assessment is made of the individual circumstances pertaining to that school.

4. Recommendations

- Schools Forum to note the contents of the report
- Schools Forum to request if further information is required
- To provide continual update reports to Forum on the High Needs Block
- To develop a more cohesive budget strategy in line with the content of this report and the independent review of SEND