

MIDDLESBROUGH LOCAL AUTHORITY
MEETING OF THE SCHOOLS MANAGEMENT FORUM
3RD July 2019 – AGENDA ITEM 5

High Needs Budget Recovery Plan

Review and Progress Quarter 1 2019

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1.0 Purpose

1.1 To seek approval for the refreshed recovery plan based on 18/19 Outturn

1.2 To report Quarter 1 19/20 Progress on savings

2.0 Current Budget Recovery Plan

2.1 The Budget Recovery Plan was last Presented to Schools Management Forum on 7th November 2018, showing the steps required to reduce the deficit. The plan outlined savings from the High Needs Block of £1.75 million over 3 years.

Area of the Budget	Total £k	%
SEN Related Budgets	£956k	55%
AP Related Budgets	£665k	38%
Home and Hospital Budget	£59k	3%
LAC Budget	£0	0%
DSG Overheads	£70k	4%
TOTAL ADJUSTMENTS	1,750k	100%

2.2 Following closure of accounts for the financial year the deficit was at £1.15 million.

2.3 There were underspends in the following areas

- High Needs Element 3 Matrix Pre 16 (Mainstream)
- High Needs Top Up Matrix Post 16 (FE Colleges)
- High Needs Top Up Special Schools
- Non maintained schools (Supported Internships)
- Early Years IDF
- AP Contingency
- SEN Assessment

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- Additional Places Contingency
- Early years Specialist Support Service
- AP Academy Place Funding Contingency
- Primary Outreach
- Holmwood Assessment places (AP)
- KS3 Turnaround Places (AP)

2.4 The following areas had overspends

- Independent Special School
- Home and Hospital teaching
- Out of Local Authority placements
- Exception SEN Top Up
- High Needs RP Top Up
- Learning Centre AP
- Secondary Outreach
- The Keys (AP)
- KS4 Turnaround Places (AP)

2.5 This has changed the requirement, and the savings target is now set at £1.15 million.

3.0 Refreshed Budget Recovery Plan 2019/22

3.1 The refreshed proposal for the Budget Recovery Plan looks radically different to the previous plan, however, the budget has been amended to reflect the 18/19 spend and the planned provision and known pressures over the next 3 years. These are detailed below.

Area of the Budget	Total £k	%
SEN Related Budgets	£293	25%
AP Related Budgets in H and H	£819	68%
LAC Budget	£0	0%
DSG Overheads	£70	6%
TOTAL ADJUSTMENTS	£1192	100%

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A breakdown is available at Appendix 1 of this report.

3.2 The current per head spend for AP and SEN is shown below. The per head average spend is £277 above the affordable per head cost within the current budget.

SEN STUDENTS AVE UNIT COST	AP STUDENTS AVE UNIT COST	AVERAGE STUDENT COST	TARGET UNIT COST
£4,642.47	£12,084.50	5333	5056

3.4 These figures take into account the 1% of DSG transfer into the High Needs Block. Without this target student cost would need to be £4917 per head. This will need to be addressed for 20/21 to ensure that no further transfers are required.

4.0 Special Educational Needs

- 4.1 Data shows that children and young people requiring support for a Special Educational Need (SEN) with an EHCP/statement has increased by 50% since the reforms to the Code of Practice in 2014. We are unable to determine the change in children and young people requiring support at a school level (without EHCP). It is clear that this has led to increased pressure on SEN provision and budgets.
- 4.2 As a result there has been a steady increase of Out of Area and Independent education placements due to the demand on our local maintained schools and academies.
- 4.3 The DfE have approved a Special Free School for the Tees Valley to support CYP whose Primary Need is SEMH. It is anticipated that this will greatly reduce reliance on Independent School places, therefore seeing a reduction in the budget for those over the next 3 years.
- 4.4 There will continue to be an increase in Primary places at Discovery Special Free School until 2021 when the school will have a full establishment of year groups.
- 4.5 The Early Years Inclusion and Development Fund saw a significant underspend in 18/19. However, use of this fund is increasing and spend in Q1 19/20 already equals the whole year spend of 18/19. The Early Years Support Service have been raising awareness of the fund and a review of the process is required to ensure greater take up in mainstream nurseries and PVI settings. This will take place over Summer 19.
- 4.6 Matrix funding for mainstream settings saw a reduction in spend in 18/19, and this supports the forecast of a significant saving in 19/20. However, schools will be offered training and support to ensure they are claiming funding via the process in the

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autumn term to ensure continued growth in CYP with SEN Support and EHCP's receiving a mainstream education.

- 4.7 Resource Provision in Middlesbrough has a high demand on places, and a review of the range and volume will begin in September 19 as well as to promote positive transitions and well-planned academic and vocational pathways. This will likely lead to an increase in places in Resource Bases in mainstream to meet the increase in demand expected over the next 5 years.
- 4.8 There was underspend in staffing in the SEN Assessment and Management in 18/19, which is a recurring saving this year. The service will be under review for 20/21 financial year.
- 4.9 The peripatetic service for Hearing and Visual Impaired CYP is a shared service run by Middlesbrough Council on behalf of the Tees Valley authorities. The service is restructuring to reduce to one Head of Service and this will offer savings to all four Tees Valley councils.
- 4.10 An increase in contributions and therefore capacity in support services, i.e. School Advisors, Educational Psychology and EMAT will be an important measure to manage demand for places and support more young people in their preferred setting. This will also support the management of Permanent Exclusions.

5.0 Alternative Provision

- 5.1 The Alternative Provision Directory and AP Academy is due for recommissioning/procurement over the next academic year.
- 5.2 This is an opportunity to review and develop the services available based on the Edward Timpson report, and the new OFSTED framework which brings more accountability to schools for monitoring quality and effectiveness of the AP they commission.
- 5.3 For 19/20, school payments have been subsidised by the HNB additional funding for inclusion. However, recoupment rates will rise from September 2020, and so it is likely that schools will be looking for more ways to reduce costs and increase effectiveness.
- 5.4 Schools are increasingly developing their own internal provision, so this is a consideration with regards to recoupment, any reduction in the use of external settings for AP will have an impact on the number of available places.

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- 5.5 Work is ongoing, with an increase in Support Service contributions and the developments within the Behaviour Partnerships, schools are working effectively together to share practice and deliver a Graduated Response, which is likely to have an impact on the number of interventions and external provision required.
- 5.6 The Learning Centre at Middlesbrough Community Learning is an unregistered provision, which presents a risk with regards to OFSTED scrutiny. This requires review and planning for September 2020 to ensure a robust system of assessment and placement for intervention and reintegration going forward.
- 5.7 The Holmwood Assessment Centre has 10 primary places for assessment and intervention. This coupled with the outreach service will be managed via a panel to ensure maximum impact via early intervention across all primary settings in the town.
- 5.8 Home and Hospital Teaching is due a review and reprourement. As part of this review, the council will be introducing a fair charging policy to schools using the service.

6.0 Other developments

- 6.1 The Central Recharge – DSG overheads will reduce by £70k this financial year. Further work is to take place to scrutinise the value for money this offers for the HNB in future years.

7.0 Current picture and performance

- 7.1 All budget lines are on track to stay within budget this financial year, with the exception of Independent Special Schools and AP intervention. The margins in these areas are small and have minimum contingency.
- 7.2 The RTMAT AP Academy will not make the in-year savings outlined in the Budget Recovery Plan as it stands currently due to the requirements in the contract. This can be achieved following recommissioning, so savings will need to be achieved over 3 years.
- 7.3 A targeted action plan is in place to support CYP in Independent Special Schools return to in-borough provision, or where this is not possible, to review and monitor placements to ensure the greatest value for money. Approximately 10% of the budget is spent on these high cost placements, but only 1% of children are in these placements.
- 7.4 Demand for AP fluctuates, however a deep dive into the data about CYP accessing AP is ongoing. This exercise will help us understand the core issues and commission

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services accordingly. We are also scrutinising seasonal, demographic and societal trends to support improved place planning. This review will be complete before the end of the Summer Term.

- 7.5 Recoupment of funding from Schools for AP is still presenting an issue. Currently 7 schools are behind on payments. Two of these are disputing historical charges applied. Another school is working through a debt recovery plan to repay their charges from 18/19.
- 7.6 A new charging policy for Alternative Provision is being written during the summer for publication and sign off in September 19.

8.0 Conclusions

- 8.1 Amendments have had to be made to the original Budget Recovery Plan to take into account over and underspends from the last financial year. Data also tells us that need and demand for SEN will also increase. Longer term commissioning to increase range and volume means there will be an impact on this element of the budget.

9.0 Recommendations

- 9.1 School Management Forum to review and note the refreshed Budget Recovery Plan.
- 9.2 Schools Management Forum to note performance against the plan.
- 9.3 Schools Management Forum to agree any further action or information required.

10.0 Appendices



Appendix 1 SMF
MONITORING HNB 1



Appendix 2
ADDITIONAL HNB Fu