

Report to: Schools Management Forum

From: Head of Resources for Inclusion and Support Services

Date: 15th January 2020

Title: High Needs Block Financial Year 2020/21

1.0 Purpose

- 1.1 This report will set out the Council's plan for spending the High Needs Block allocation for the next financial year, April 2020 to March 2021.
- 1.2 Schools Management Forum does not vote to approve this budget, however, is asked to note the content of the report and welcome to offer feedback.

2.0 Background

- 2.1 High needs funding is provided to local authorities through the high needs block of the dedicated schools grant (DSG). Local authorities must spend that funding in line with the associated conditions of grant, and School and Early Years Finance Regulations. High needs funding is also provided directly to some institutions by the Education and Skills Funding Agency (ESFA).
 - 2.2 The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and institutions to meet their statutory duties under **the Children and Families Act 2014**. High needs funding is also intended to support good quality Alternative Provision for pre-16 pupils who, because of exclusion, illness or other reasons, cannot receive their education in mainstream or special schools. The high needs funding block provides local authorities with resources for place funding and top-up funding for institutions, and funding for high needs services delivered directly by the authority or under a separate funding agreement with institutions (including funding devolved to institutions).
 - 2.3 In recent years, the High Needs Block of the DSG has been under significant pressure, and has carried deficits since financial years 17/18. As a consequence, the Local Authority requested a 1% disapplication of the Dedicated Schools Grant to prevent further deficits in financial year 19/20. This was approved, and has helped to manage a budget that is still under some significant pressure.
 - 2.4 The Local Authority is now managing a Budget Recovery Plan to ensure deficit recovery and prevent further disapplication of dedicated schools grant in the next or future financial years.
- 3.0 Progress on Budget Recovery Plan**
- 3.1 A report was presented to Schools Management Forum on 13th November 2019. The position remains consistent with that report. The 2019/20 outturn position will be reported against the BRP in the Summer Term.

4.0 Allocation

4.1 Provisional Budgets were published in October 2019 and not yet confirmed due to Purdah.

4.2 The provisional High Needs Block for Financial Year 20/21 is **£26,186,494** with recoupment income and Early Years Transfer the total budget available will be **£27,111,494**.

4.3 Placement Costs

4.3.1 The DfE deducts place funding for Academies and Post 16 Institutions. Based on the Place Change Return this recoupment will be as follows:

Institution Type	Number of Places	Total Cost
Pre 16 Special Schools (Academies and Free Schools)	146	£1,460,000
Pre 16 Resource Bases (Academies and Free Schools)	342	£2,052,000
Alternative Provision Academy	96	£960,000
Post 16 FE Colleges	173	£1,020,000
TOTAL		£5,486,000

4.3.2 The Local Authority has commissioned the following places at maintained schools or directly with an academy or free school outside of the ESFA agreements

Institution type	Number of Places	Total Cost
Pre 16 Special Schools (maintained)	413.6	£4,136,000
Pre 16 Resource Bases (maintained)	16	£96,000
AP Academy Places	0	0
Pre 16 Special Schools additional A/FS	0	0
Pre 16 Resource Based additional A/FS	6	£60,000
Hospital Teaching	59	£1,062,000
TOTAL		£5,354,000

The total placement costs for 20/21 in these categories is **£10,840,000**.

4.3.3 The Local Authority expects to commission up to 50 places in independent schools for existing attendees at a cost of **£1,850,000**.

4.3.4 Supported Internship demand is growing for young people in Post 16 education. We expect to commission at least 25 SI places from September 2020, at a cost of **£150,000**.

5.0 Special Educational Needs

5.1 Spending in this area covers children and young people aged 0-25 years. All spend in this area is to support settings to deliver education for children and young people with an Education Health and care Plan (EHCP) or a SEN Support Plan.

5.2 For context, there are approximately 1200 children and young people with an EHCP in Middlesbrough. All children and young people in Special Schools and 60% in resource bases currently have an EHCP. 40% of children in resource provision are funded via SEN Support. Approximately 750 children and young people in mainstream settings are funded via matrix payments.

5.3 Top Up funding is allocated to Special Schools using a banding mechanism. These are as follows:

Element 3 Top-Up Funding is in addition to place-led funding and is allocated in accordance with the Descriptors of Need. Proposals to change funding bands must be supported by the appropriate evidence and cost implications		Funding Bands for 2018-2019		Reduction of 1.4999% per financial year for each of the next three financial years	
		Proposed Value (£)	Weighting	Proposed Value (£)	Weighting
REVISED DESCRIPTORS OF NEED WITH EFFECT FROM APRIL 2019					
1	Differentiated curriculum with teaching in small groups. Regular focussed teaching each week. Regular supervision throughout the day, use of time out and other such approaches. Direct delivery of specific interventions, supported by specialist outside agencies, to address the needs in the pupils' Statement and / or their IEP	£3,200	1 1.00	£3,152	1 1.00
2	Use of specialist teaching materials and approaches to address the challenging behaviour of pupils with a range of underlying SEN. Differentiated curriculum with teaching in small groups. Regular supervision throughout the day, use of time out and other such approaches in order to provide opportunities for intensive teaching, self organisational skills, opportunities to promote self esteem and positive relationships. Use of specialist programmes devised by a range of specialist support services and disciplines.	£6,300	1 1.97	£6,206	1 1.97
3	Differentiated curriculum with teaching in small groups delivered with support, advice and training from specialist staff from health / mental health and / or education and/or alternative / augmented communication, and / or individual or small group therapeutic input. Direct teaching of specific skills and individual specialist teaching approaches to address the needs in the pupils' statement and / or IEP. Regular supervisions throughout the day, use of time out and other such approaches.	£10,100	1 3.16	£9,949	1 3.16
4	Complex needs set out in the education, health and care plan. May also require a wide range of specialist equipment. Increased levels adult support will be required on a daily basis for every day needs and / or personal care.	£12,800	1 4.00	£12,608	1 4.00
5	Complex education, health and care plan in place that requires all enhancements listed above. May also require a wide range of specialist equipment. Would be reliant on adult input for the whole of each school day needs and / or personal care. May require significant additional support relating to vocational education provision .and to maintain a highly differentiated and modified curriculum. Access to therapies and highly specialised resources which may include staffing or environment.	£15,000	1 4.69	£14,775	1 4.69
6	Complex and profound learning needs. An Education, Health and Care Plan will be in place that requires all enhancements listed above. May also require a wide range of specialist equipment. Would be wholly or mainly reliant on adult input for every day needs and / or personal care. Individual requirements may significantly exceed some of the above, pupils may have high level health/ medical packages which provides joint contributions from NHS, end of life care, doubly incontinent and can do nothing for themselves. Safety requirements which although not life threatening may have significant impact on access to education and high staff demand/supervision to maintain safety. An alternative timetable may be in place for an individual. For some pupils, they may demonstrate challenging, aggressive behaviour towards staff or peers and may need an individual timetable with high level of staffing. additional therapies may also be required.	£25,000	1 7.81	£24,625	1 7.81
7	WOULD ONLY APPLY IN VERY EXCEPTIONAL CASES. Very complex and profound learning needs that would be set out in EHCP. May also require a wide range of specialist equipment. Would be wholly or mainly reliant on adult input for every day needs and / or personal care. Individual requirements may significantly exceed some of the above, pupils may have high level health/ medical packages which may be entitled to joint contributions from NHS, May be doubly incontinent and can do nothing for themselves. Safety requirements which although not life threatening may have significant impact on access to education and high staff demand/supervision to maintain safety. An alternative timetable may be in place for an individual. For some pupils, they may demonstrate challenging, aggressive behaviour towards staff or peers and may need an individual timetable with high level of staffing. additional therapies may also be required. There will be Health and Safety issues that, if not addressed immediately, an uncontrolled life threatening situation could develop. would require 1:1 health support for the whole day to manage potentially life threatening conditions or end of life care. Pupils may require frequent positioning and high level supervision to alert staff to immediate changes in presentation. Some children may demonstrate safeguarding issues for themselves.	£30,000	1 9.38	£29,550	1 9.38

5.4 There is a planned reduction of 1.4999% year on year until financial year 20/22. However, given the uplift to the High Needs Block on last year's allocation, the council proposes to freeze this reduction. Spend on Special School top-ups will be **£4,800,000**.

5.5 Top-up funding for children and young people attending resource provision is calculated using a weighted banding system according to primary need.

RESOURCE PROVISION BANDINGS										
NEED	WEIGHTING	0	1	2	3	4	5	6	7	
HLN	1.0000	£0	£0	£500						
ASD	2.5000	£0	£0	£1,250	£1,875	£3,750	£4,000	£8,000		
SL	2.5000			£1,250	£1,875	£3,750	£4,000	£8,000		
SCLN	2.5000			£1,250	£1,875	£3,750	£4,000	£8,000		
PM	4.5000			£2,250	£3,375	£6,750	£7,200	£14,400		
HI	5.7500			£2,875	£4,313	£8,625	£9,200	£18,400		
VI	5.7500			£2,875	£4,313	£8,625	£9,200	£18,400		
MSI	5.7500			£2,875	£4,313	£8,625	£9,200	£18,400		

5.6 There is also a planned reduction of 1.4999% on Resource Provision top-ups that the council proposes to freeze this this financial year. The total budget for Resource Provision top up for 20/21 is **£1,500,000**.

5.7 For children in mainstream pre-16 settings (from reception year), children and young people's needs are assessed via a matrix against a costed provision map. The matrix awards points that turn in to a financial value. Schools can claim via the matrix where they can evidence that they spend more than their SEN notional budget (i.e. £6,000) on a package of support for a learner. Each point claimed is worth £77.58.

5.8 The budget for Pre 16 Matrix payments for 20/21 is **£1,350,000**.

5.9 Post 16 institutions also claim matrix points in the same way as mainstream pre 16 settings. The budget set for 20/21 is **£250,000**.

5.10 In total, the budget for top-up payments in 19/20 needs to be **£7.9 million**.

6.0 Alternative Provision

6.1 The High Needs Block part funds alternative education for children and young people who are permanently excluded or at risk of exclusion. This is delivered via several arrangements.

6.2 The AP Academy placements are included in the place funding figures, (£960k). Additional AP costs are;

Provision	Description	Cost
AP Academy Top Up	£8k per place additional top up funding	£768,000
Alt Ed/Inclusion Team	TBC	£320,000
Learning Centre	Assessment places for Secondary	£140,000
External Provision	Additional AP	£600,000
Holmwood assessment	Assessment places for primary children	£180,000
Holmwood Outreach	Outreach support to primary schools	£30,000
Other Costs	i.e. transport, expenses	£140,000
Total		£2,158,000

7.0 Specialist Support Services

7.1 The High Needs Block also funds Specialist Support Services delivered by the Local Authority. These are:

7.1.1 The Specialist Teaching and Resource Service (STARS), which provides equipment and teaching for children and young people aged 0-25 with a hearing or visual impairment.

7.1.2 The Early Years Specialist Support Service (EYSS) which provides nursery places, portage and inclusion services for children with Special Needs aged 0-4 years. This is part funded with £358,000 from the Early Years Block with additional funding from High Needs Block at £378,000.

7.1.3 There is also an Early Years Inclusion and Development Fund of £200,000 to support SEN children in nursery provision which is allocated by EYSS Service.

7.1.4 The Psychology Service is part-funded by the High Needs Block to deliver non-statutory assessment and advice.

7.1.5 The Ethnic Minorities and Traveller Service (EMAT) is part-funded to support Vulnerable Learners

7.1.6 Virtual Schools are funded to support Looked After Children (LAC) in their Education.

7.1.7 Some Advisor time is funded from the Achievement Team.

7.1.8 A small contribution is made to the Speech and Language Service.

7.1.9 See the table below for 20/21 costs for Specialist Services

Service	Funding
SEN Assessment	£332,000
STARS	£191,000
EYSS	£378,000
Early Years Inclusion and Support Fund	£200,000
Psychology	£151,000
EMAT	£51,000
Virtual Schools	£308,000
Achievement	£15,000
Speech and Language	£26,000
Total	£1,652,000

8.0 Other costs from High Needs Block

8.1

Description	Cost
High Needs Development Fund	£200,000

Risk Share	£120,000
Out of Area placements	£600,000
Bespoke provision	£200,000
Management and Admin	£315,000
DSG Overheads	£650,000
Total	£2,035,000

8.2 The High Needs Development Fund and Risk Share budgets equate to the Additional Funding awarded in 18/19 and 19/20 budgets. These will be determined according to needs and fluctuation in demand. The Risk Share budget will support moves or increased costs for Looked After Children. The High Needs development Fund will be used to increase capacity in the SEN system. A report on the development of SEN provision will be brought to SMF in March 2020.

9.0 Summary

9.1 The total High Needs Block (provisional at the time of this report) is £26,186,494. The Local Authority expect to recoup costs for Alternative Provision, Early Years Inclusion, Hospital Teaching and SEN training that will total £925,000. This brings the total budget to **£27,111,494**.

9.2 Total Spend against this budget with the recommended allocations in this report is projected to be £26,464,000. This will create an expected underspend of £647,494.

HNB ALLOCATION FROM DfE 20/21	-£26,186,494
RECOUPMENT INCOME	-£925,000
TOTAL	-£27,111,494
ALLOCATED BUDGET	£26,464,000
VARIANCE	-£647,494

9.3 All underspend will be used to offset the existing deficit. Further savings may be made in-year with the implementation of strategies to reduce AP use and review of Independent School Placements. In addition, there is a strategy to maximise health income via contributions to education for children and young people who meet Continuing Care criteria.

10.0 Recommendations

10.1 School Management Forum to note the content of this report

10.2 School Management Forum to submit any questions pertaining to the 20/21 HNF Budget at the 15th January 2020 meeting for a response at the next meeting.