

**Report Status**

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**Report to Haringey Schools Forum – 28<sup>nd</sup> February 2019**

**Report Title: High Needs Block Budget Allocation 2019/20 and outturn  
2018/19**

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The purpose of this paper is to:

Set out the proposed budget for the High Needs Block 2019/20

Report on the forecast outturn position for the High Needs Block across  
Mainstream Schools Special Schools, Alternative Provision and Hospital  
Provision 0-25 years 2018/19

**Recommendations:**

1. To note the budget position for 2018/19, the pressures and agreed actions taken to mitigate the pressures.
2. To agree the budget proposals for 2019/20

## 1.0 Introduction

1.1 The purpose of this paper is to report on the outturn of the High Needs Block (HNB) budget for 2018/19, highlighting the significant pressures and proposed mitigating actions.

1.2 The HNB has been under pressure since its inception in 2013. The purpose of the budget is to provide financial support for children with Special Education Needs and Disabilities (SEND).

1.3 The budget for 2018/2019 and 2019/20 is as follows:

	DSG Budget 2019/2020	DSG Budget 2018/2019	Difference in year budget
	£	£	£
Budget pre top slice	36.049	35.446	0.603
Budget post top slice	33.553	33.490	0.063
SEND recoupment for academies	2.496	1.956	

Overall, the budget is marginally higher for 2019/20 despite a larger top slice for school places. The available difference is only £63k however, which makes the impact of any invest to save work more crucial to the success of avoiding further increasing costs.

1.4 Despite additional funding of £625k in 2019/20, the significant pressures continue on the special schools places, particularly in Out Borough and Independent Schools, and in the growing demand for education support post 16 due to the increased age range.

1.5 The proposed budget for 2019/20 allocates sufficient resources within special schools and specialist provision to meet needs, allocates adequate resources to cover mainstream school needs, including increasing numbers of children with Education Health and Care Plans (EHCP). This means that remaining funding is spread over the out borough and independent school lines. This result in a significantly reduced budget on each of these two lines, however, these budget lines are where the activity around cost saving or cost avoidance measures will be seen.

- 1.6 The proposed budget holds back the money received from the 0.25% (£490k) transfer from the schools block, to create an exceptional needs fund which can be accessed by schools for children with an EHCP. Further work needs to be done between the schools and LA to establish a mechanism to support the implementation of this fund.
- 1.7 To date, the overall strategy is to use local school and college places to the maximum and start to encourage children to remain locally for their education at key transition points e.g. reception, secondary and post 11 transfer. To do this the borough has worked closely with local special schools to re-designate or design school offers which meet needs and are attractive to families

## **2.0 Actions Completed in 2018/19 to reduce pressure on budgets**

- 2.1 Riverside School has changed its age range to extend to 19 years to include a 'Learning Centre' for those young people who are hard to place or with complex needs.  
Haringey 6<sup>th</sup> form has increased its high needs place funding to 70 places from 55 with an increased number of courses at level 1 to offer progression and meet needs.  
The Grove School for children with Autism has opened with 10 places in addition to the 42 places at Heartlands Unit (total 52), overall this will increase to 65 places for Sept 2019  
The Harrington's Scheme (post 19) has increased its places to 42 from 28 in 2017/18.
- 2.2 We are aiming to bring 8 students locally at year 6 transfer and year 11 transfer into the new post 16 settings in 2019. This is a budget impact of £250k which is the difference between the school place costs in an independent setting and a local cost. We know that there is always need emerging throughout the year for new school places so we have assumed that the only new places will be high cost learners e.g. residential. We know that there are students likely to choose to go to out of borough where the college top ups can be higher or a 4-day week is offered. By offering a 5-day week in-borough and extending the age range of the settings we can avoid increased costs.
- 2.3 The current school leaving cohort are all in independent settings at 25 years at an average top up of £36k for 13 young people and one at £104k with a total cost £572k. This is the largest leavers' cohort who have remained in education. Two are attending an internship due to finish this year.
- 2.4 It is therefore reasonable to expect the out of borough and independent settings budget spend to start to decrease significantly over the next 3 to 5 years, as approximately £822k (£250k plus £572k) can be achieved this year due to natural impact of strategies.

2.5 Haringey has previously had a contract with the Royal National Institute for the Blind to provide in borough services to support children in schools who are blind or have visual impairment. This contract has ceased and the service is being insourced. This has resulted in a cost saving of £20k to the high needs block

### 3.0 Budget Allocation 2018/19

3.1 The High Needs Block is predicted to close year end 2019 with an overspend of £3.9 million

3.2 Contributing factor to the overspend have been covered in previous reports but included:

- A lower than expected budget allocation of £1.5 million due to import and export differences following the change in management of a setting to another borough
- Continuing rising demand on post 16 resources
- Increasing numbers of children with EHCP's of whom some require special school places

3.3 There was also increased demand on the budget, as a result of factors which long term we anticipate will reduce spend:

- Early opening of The Grove Special School, which offered much needed special school places
- Increased overall special school places to meet complex needs
- Uplift of the mainstream top up by 2% as the low top up rate appeared to be contributing to rising special school places needed

### 4.0 Budget Allocation 2019/20

4.1 The high needs block allocation budget set for 19/20 is £33.53 million **however £38.32 is actually required to meet the current statutory duties delivered to in the high needs block, and therefore an anticipated overspend of £4.7 million could be expected**, should the current spending patterns continue. It is therefore essential that the budget recovery strategy for high needs block begins to deliver on results.

4.2 It is anticipated that the key pressures will remain the same:

- a) Significant yearly increases in the children who require and Educational Health and Care Plan as a result of the increased age range (0-25 years)
- b) Increased use of special school places with more costly packages for children with increasingly complex needs.
- c) Increased school top ups for children in mainstream schools.
- d) Increased costs for children to whom we have a new duty (hospital admission).

- e) A rise in need for residential therapeutic places linked to those with mental health needs associated with Social Emotional Mental Health/Autism.
- f) Increasing use of independent school places with increased transport costs due to lack of local capacity.
- g) High cost residential places for young people over 18 years

## 5.0 Proposed Budget 2019/20

5.1 As a result of the above budget changes, base budget levels have had to be changed to manage the reduction. The budget changes are out lined below:

As can be seen from the table in the appendix there are a number of key changes in the following areas:

E41260 Independent & Voluntary School line has been reduced to reflect the fact that there is increasing sufficiency in the local area.

E41283 Special Schools Top Up has been increased due to increased places.

E41284 Mainstream Schools Top Up has been increased due to the increased teaching assistant rates

E41285 Special Units Top Up has been reduced due to the closure of the Heartlands unit and opening of The Grove, which has moved the Heartlands places to the special schools line.

E41286 Higher Education Top Up has been reduced due to local provision offering better value for money.

5.2 In borough Provision – Increased local capacity.

Special Schools places have increased to meet current need. Increased capacity across the borough ensures that we can meet needs locally

Setting	Places 2015	Places 2019
The Vale	99	106
Blanche Nevile	70	68
The Brook	100	108
Riverside (Including Learning Centre)	120	140
The Grove	42 (was Heartlands)	65
Haringey 6 <sup>th</sup> form	55	70 (Entry and Foundation)
Mulberry	18	18
West Green	8	8
Total	512	583

- Special School top ups including Haringey 6<sup>th</sup> form have been increased to keep pace with the Teaching Assistant uplift given to mainstream schools

5.3 There were small increases in budgets for the following settings:

- Tuition Centre to support a more viable structure
- Mainstream schools support was uplifted by 2% (£490k) and is included in next year's budget.

5.4 Budgets were reduced in:

- Out borough and independent
- Out Borough Post 16 top up support

This is because with increased capacity we should be able to meet the majority of children's needs locally and prevent the growth in the use of independent and out borough places. E.g. In 2017-2018 we had 111 independent and out borough commissioned places, in 2018-2019 we had 130 independent and out borough school places.

## **6.0 Budget Recovery Actions 2019/20**

1) Two contracts are under review: Enhance EHCP support writer and Speech and language therapy.

2) Independent and Voluntary maintained schools:

The independent school places are used when there is no capacity in local or neighbouring special school places. This increased from 89 to 111 places needed in 2017-2018 and to 130 in 2018-2019.

The SEN Commissioning detailed place planning review, has assisted in more detailed work on year groups and types of school places needed. Work will continue in 2019-2020 in value for money of these places.

3) Higher education top up

There is an increasing number of young people staying on in education post 16. This is the areas of greatest growth due to increased numbers. SEND are working with young people who may be repeating education experiences to move out of education into supported employment (new services commissioned from Harrington's Scheme, My AFK and Mencap)

4) Pre-Educational Health and Care Plan funding

Establish pre EHCP funding as a prevention of escalation or resolution of short term SEND and reduce the need for high cost placements due to behaviour needs e.g. low level SEND with highly challenging behaviour

5) Exploration of commissioned behavioural approaches to reduce the need for high cost placements due to behaviour needs e.g. Complex Learning, Disabilities and Autism and highly challenging behaviour.

#### 6) Alternative Provisions

Alternative Provisions review to outline the best use of high needs funding for young people with Social Emotional and Mental Health (SEMH) and as part of this review and define the Tuition Centre and The Octagon's core offer as part of the Alternative Provisions review.

#### 7) SEND capital grant

There has also been an announcement of an increased capital funding to meet the needs of children with SEND, which can be used for both school places and provision to enhance accessibility for children/young people with SEND. Haringey is consulting with schools and parents, and reviewing our local premises with the view to:

- Developing the offer for children who are more able academically with Autism or SEMH
- Ensuring nurseries can meet children's complex needs
- Ensuring respite provision is properly accessible
- Ensuring that Haringey's 'Universal Offer' has the necessary accessibility to meet needs e.g. local leisure opportunities

## **Conclusion**

The High Needs Block continues to be under significant pressure in 2019/20, however the forecast overspend is expected to be reduced this year as a result of proposed mitigating actions, which are currently work in progress where detailed mitigating actions are being developed.

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