

**Agenda Item
9**

Report Status

For information/note x
For consultation & views
For decision

Commissioning Unit

Report to High Needs Block –

Report Title: High Needs Block 2018-2019

Author: Vikki Monk-Meyer Head of Service SEN and Disability

The purpose of this paper is to set out the budget outturn position for the High Needs Block 2018/19 and note the factors contributing to continued pressure on the High Needs Block as a result of increased demand.

To set out the budget position for 2019/20 and the agreed actions to manage demand for the High Needs Block across Mainstream Schools Special Schools, Alternative Provision and Hospital Provision 0-25 years.

To set out a high level forecast for the budget for 2019/20 based on conservative assumptions in order to highlight the shortfall in budget for the next two years and the possible implications if mitigating actions proposed are not successful.

Recommendations:

1. To note the outturn position of the High Needs Block 2018/19 and continued demand on the budget.
2. To note patterns and trends as a result of actions taken in year
3. To note and agree the actions to meet the demand

1. Introduction

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. To note that the budget setting for 2019/2020 has been agreed.

2.0 Budget outturn 2018/19

2.1 .The High Needs Block budget was **£32,235,855** in 2018-2019 with in year uplift of 625K, and closed with an overspend of £4,266,680

The factors that have contributed to further pressure in the HNB in 2018/19. These include:

- 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). Analysis of our local demand shows a significant increase over the last 4 years, which is in line with national figures. See Appendix A Chart 1.
- 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 SEMH/Autism.
- f) Increasing use of Independent School places with increased transport costs due to lack of local capacity, although this is starting to reduce as local capacity increases
- g) High cost residential places for young people 18 and over are increasing.

2.2 It should be noted that a total of 1.1 million income was committed to the out borough (E41260) and higher education budget lines (E41286). This was achieved due to the joint commissioning of school places with adult service and the health services.

As predicted the pressure on the block were high in 2018/2019 due a lower than expected budget and continued demand.

2.3 The following areas are highlighted in the table. There was insufficient budget to meet the demands of the service, and the budget has therefore been set to meet needs in areas where the budget is required in borough in 2019/2020 at a higher level. The remaining budget has been allocated to budget lines where work is being done to bring the demand down to the available budget e.g. reducing the usage of out borough places.

High Needs Block	HNB Spend 2017-18	HNB Income Allocation/Expenditure Budget 2018-19	HNB Spend 2018-19	a) 2018-19 actual spend vs 2018 -19 Budget Allocation	b) 2018-19 HNB spend vs 2017 -18 HNB spend	Comment
E41283 Special Schools Top Up	7,687,119	7,392,185	8,541,103	1,148,918	853,984	Increased places
E41286 Higher Education Top Up	2,860,524	2,415,000	3,454,888	1,039,888	594,364	Increased numbers of young people
E41260 Independent & Voluntary Schools	7,051,493	5,717,653	6,490,820	773,167	(560,673)	Decreased places commissioned
E41284 Mainstrea. Schools Top Up	4,872,486	4,668,135	5,428,164	760,029	555,679	Increased teaching assistant rate
E41235 In Year Fair Access Panel	338,596	338,000	487,938	149,938	149,341	Unpaid invoices - 18/19
E41285 Special Units Top Up	1,031,148	835,000	939,965	104,965	(91,183)	Decreased unit places – spend to special school line (The Grove)
E41251 Speech & Language Therapy	490,082	442,000	545,365	103,365	55,283	OT commissioned
E41246 SEN Portage Service	217,739	160,000	213,517	53,517	(4,222)	Post funded 2019
E41239 Visual Impairment Provision	177,596	177,000	198,546	21,546	20,949	Unpaid invoices, Contract now reviewed and insourced
E41243 SEN - Admin Team	183,576	182,500	196,005	13,505	12,429	Unchanged
E41288 High Needs in Early Years	224,222	366,282	371,824	5,542	147,602	Increased usage with some miscoding issues. See alongside E42127/E42186
E42012 / 13 /14 Locality Teams	883,444	880,000	883,572	3,572	128	Unchanged
E41240 SEN Strategy Manager	106,216	110,000	112,717	2,717	6,502	Equipment purchase
E41247 Hearing Impairment Team	162,987	162,700	162,970	270	(17)	Unchanged
E43901 Transport HNB Contribution	225,000	225,000	225,000	0	0	Unchanged
E41287 SEN contingency	1,330,868	1,300,000	1,299,580	(420)	(31,288)	Unchanged

E41241/E41254 Merged Language & Autism Support	416,734	410,000	408,781	(1,220)	(7,953)	Amalgamated with ASD team with Language Support team
E41252 Parent Partnership (Markfield)	98,800	98,900	95,352	(3,548)	(33,630)	unchanged - error on total budget - budget was £98,900
E41282 Special Schools Place Funding	4,270,000	4,360,000	4,340,000	(20,000)	70,000	Increased places commissioned
E42127 Early Years Inclusion Fund	5,220	232,000	211,448	(20,552)	-	Unchanged
E42186 Pathways for Early Intervention	315,220	42,000	21,357	(20,643)	(293,863)	Miscoding between E41288 and E42186
E41234 Alternative Prov Commissioning	1,197,720	1,197,000	1,176,263	(20,737)	(21,457)	Miscoding - in year fair access E41235
E41215 Simmons House	180,000	220,000	194,393	(25,607)	14,393	Unchanged
E41250 LOVAAS	49,009	30,000	1,335	(28,665)	(47,674)	Budget closed - budget was ever £26,000
E41217 Tuition Service	584,817	776,473	630,465	(146,007)	45,648	Unchanged

a) SEN Portage Service:

This is the home intervention education service for children with complex disabilities 0-5 years. This budget was not set to the correct level for the staff in the services and has now been increased by one post.

b) Speech and Language therapy:

This line represents the spend on both Speech and Language Therapy and Occupational Therapy commissioned from Whittington Health to meet local need and is now part of a section 75 agreement. The level of budget commissioned is under review however due to increased number of children identified as having speech and Language issues. There may be long term budget impact of not intervening early e.g. an increase in challenging behaviours for a child requiring higher levels of statutory interventions. There are unlikely to be cost savings in this area.

c) Special Schools top up:

The level of overspend represents the cost of an additional places in local special schools as these schools are already at capacity. The Grove opens more school places in 2019. The schools new management structure has been put in place at The Grove ahead of school places opening. This means that costs of places are individually higher in the first year of opening of the new school.

d) Mainstream schools top up:

This budget line has balanced at year end, but was uplifted by 480K at the beginning of 2018 by 2% uplift to bring costs in line with teaching assistant rate and meet the needs of higher volumes of children.

2.4 It was previously agreed not to uplift the following areas as they would be the focus of any invest to save activity:

a) Independent and Voluntary maintained schools:

The independent school places are used when there is not capacity in local or neighbouring special school places. This increased from 89 to 108 places needed in 2017-2018. The current forecast is based on 24 new places being required at the rate of two a month.

b) 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.

3.0 Future mitigation to spend pressure remains as described:

The following areas for action have been identified to mitigate the spend pressure in the budget and work is in train to forecast the savings that are achievable. A programme of work is being established to report to HNB subgroup, to develop the following actions.

3.1 Pathways of Support

- a) Establish the SEMH pathway to include a different usage of Tuition and Local Providers such as the Octagon for SEMH and both outreach and therapeutic provision. This might include moving Tuition to another setting in order to ensure the places are used to their capacity
- b) Review the outreach offer from advisory teachers to provide more support in mainstream schools by reviewing the use of private providers to support children in settings and explore if insourcing would be a more cost-effective approach
- c) Use some of the school block money to establish a support fund for children with complex and challenging behaviour without EHCP to reduce costs long term for children with complex behavioural needs

3.2 Usage of Special School places pre and post 16 years

- a) Establishment of The Grove and Riverside Learning Centre Post 16 year settings to reduce out-borough places in colleges
- b) Maximise commissioned places at Harrington Scheme, Haringey 6th Form Centre for supported employment (supported internships), thus improving outcomes and also starting to cease EHC at an earlier stage for some young people
- c) Maximise usage of Area 51 setting, and ensure this setting has appropriate space for more complex children.
- d) Review young people's post 16 care plans to consider appropriate post 16 pathways such as employment or social care packages, potentially establishing pathways through the usage of the capital support grant.
- e) Over time the special schools places will need to be reviewed to see if the delivery needs to continue in the same way, move to another model (unit delivery) or be de-commissioned in some areas.

3.3 Review of contracts ongoing including:

- Royal National Institute for the Blind – complete and service insourced with bring to budget.
- Specialist Equipment Purchase (Millbrook) - complete
- Enhance EHCP support writer - complete
- Speech and language therapy – ongoing

4.0 Conclusion

4.1 The HNB continues to be under significant pressure in 2019/20, as other boroughs, and the forecast highlights an increased overspend. Additional work is being done to forecast future years' spending profiles to inform decisions about the HNB going forward.

The budget remains inadequate to meet needs in its current usage.

4.2 Patterns of spend do indicate increased in-borough placements, and a reduction in the trend to move to special schools, however efforts need to continue to support schools and young people to maintain their mainstream school places through a variety of means.

Vikki Monk-Meyer
Head of Service SEND
June 2019