

**Agenda Item  
7**

**Commissioning Unit**

**Report to High Needs Block –**

**Report Status**

For information/note x  
For consultation & views  
For decision

**Report Title: High Needs Block Options Appraisal**

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The purpose of this paper is to:

Explore all actions that could be taken by the borough to reduce the spend in the high needs block

**Recommendations:**

1. To note current financial position and comparative success of strategies implemented to date on spend
2. To note the significance of assuring appropriate pathways are in place for children with complex and challenging behaviours, both on quality of outcomes and on financial impact
3. Forum to note the co-dependency of current strategies and their impact on the High Needs Block Budget e.g. Alternative Provisions Review, Place planning review, Early Help Strategy and Young People at Risk Strategy

## 1.0 Introduction

- 1.1. The purpose of the paper is to explore all options available to the borough to address the continued significant pressure on the high needs block budget
- 1.2. Forum are asked to note the co-dependencies of different strategies and their influence on high needs spend
- 1.3. The forum are asked to agree actions that will go forward for consultation to schools and families

## 2.0 Current High Needs Block position

- 2.1 Despite work done to manage the budget, the budget is forecast to close in April 2020 in a 5.7 million deficit position.
- 2.2 The current budget holds back 300K of the money received from the 0.25% (490K) transfer from the schools' block, which has not be allocated against the high needs block. The original intention was to create an exceptional needs/early intervention fund which can be accessed by schools for children without an EHCP.
- 2.3 Work was done between the schools and LA to establish a mechanism to support the implementation of this fund, however since this time other factors have occurred which mean this action may need to be re-evaluated. This will be explored later in the paper under 'Alternative Provisions review'.
- 2.4 To date, the overall strategy is to use local school and college places to the maximum, and encourage children to choose school places locally for their education at key transition points e.g. reception, secondary and post 11 transfer.
- 2.5 To do this the borough has worked closely with local special schools to re-designate, or design school offers which meet children's needs and are attractive to families
- 2.6 The budget in April 2020 is due to be uplifted by circa 2.4 million after top slice for school places, however this would mean the budget will still not be enough to cover current trajectory of spend.

## 3.0 Pressures on the budget

3.1 The key pressures on the budget 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 costs for children to whom we have a new duty (hospital admission).

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

#### **4.0 In-borough Specialist Provision – Increased local capacity.**

4.1 Special Schools places have increased to meet local and future need. 4.2. Schools have increased their place to meet need as outlined below:

<b>Setting</b>	<b>Places 2015</b>	<b>Places 2019</b>
The Vale	99	106
Blanche Nevile	70	68
The Brook	100	110
Riverside (Including Learning Centre)	120	140
The Grove	42 (was Heartlands Unit)	65
Haringey 6 <sup>th</sup> form	55	70 (Entry and Foundation)
Mulberry	18	18
West Green	8	8
<b>Total</b>	<b>512</b>	<b>585</b>

Of note is that 15 of Riverside places and 14 of The Grove places are for 16 - 19 year olds, and have been a significant contribution to our post 16 offer.

4.3 In 2021 The Grove School expands again to 85 places and then to 104 places in 2022. No other schools are planned to expand after this time.

4.4 These new school places are funded through the differences between the out of borough costs of placing children, and the comparative cost of funding The Grove. This strategy will only be affective if the special school places are not overused e.g. special school places are only offered to those who most need it, and there is not a drift toward statutory interventions for those pupils who are vulnerable and might otherwise be receiving services with an EHC in local schools or potentially at SEN support level.

4.5 Locally there are also increasing costs around the use of alternative provision and SEMH provision to meet the needs of children with complex and challenging behaviour. This pathway will be the key focus for development over 2020 to 2021.

4.6 Haringey is a borough with high numbers of NEET and unknown pupils post year 11. A large proportion of these pupils are vulnerable and have been at SEN support level.

4.7 Haringey rates low in the national return in this area, and therefore there are indications that the engagement of pupils at SEN support in further education is a challenge. This could be considered in the current work on Early Help strategy and the alternative provisions pathway.

4.8 To address this, the borough's strategy on sufficiency of specialist places needs to be widened, to one that ensures there is sufficiency of college courses in borough for those young people requiring technically and vocational courses, as these are potentially pupil's at SEN support level.

4.9 The tracking and monitoring of these young people attendance is critical to addressing increasing the resilience of the young people in the borough, and a key component of the Young People at Risk Strategy. Currently some of these young people are coming back to education into colleges and requiring high needs top up. Not addressing this pathway will continue to build pressure on the high needs block.

## 5 Budget areas and comments

HNB Cost Centre	Budget 2018-19	Out-turn 2018-19	2018-19 Variance	Budget 2019-20	Projected Out-turn 2019-20	2019-20 Adjusted Variance	2018-19 Out-turn vs 219-20 Projected
E41234 Alternative Prov Commissioning	1,197,000	1,176,263	-20,737	1,197,000	1,197,000	0	-20,737
E41235 In Year Fair Access Panel	338,000	487,938	149,938	338,000	338,000	0	149,938
E41239 Visual Impairment Provision	177,000	198,546	21,546	177,000	177,000	0	21,546
E41241 Language Support Team	0	0	0	0	0	0	0
E41247 Hearing Impairment Team	162,700	162,970	270	162,700	162,700	0	270
E41254 Autism Support Team	410,000	423,638	13,638	426,000	426,000	0	-2,363
E41240 SEN Strategy Manager	110,000	112,717	2,717	110,000	110,000	0	2,717
E41243 SEN - Admin Team	182,500	196,005	13,505	182,500	182,500	0	13,505
E41246 SEN Portage Service	160,000	213,517	53,517	206,000	206,000	0	7,517
E41250 LOVAAS	30,000	1,335	-28,665	0	0	0	1,335
E41251 Speech & Language Therapy	442,000	545,365	103,365	522,000	547,000	25,000	-1,635
E41252 Parent Partnership (Markfield)	98,900	95,352	-3,548	96,000	96,000	0	-648
E41260 Independent & Voluntary Schools	5,717,653	6,968,416	1,250,763	3,500,000	6,900,000	3,400,000	68,416

E41282 Special Schools Place Funding	4,360,000	4,340,000	-20,000	4,480,000	4,480,000	0	-140,000
E41283 Special Schools Top Up	7,392,185	8,541,103	1,148,918	9,544,450	10,972,413	1,427,963	2,431,310
E41284 Mainstream Schools Top Up	4,668,135	5,431,748	763,613	5,254,000	5,115,207	-138,793	316,541
E41285 Special Units Top Up	835,000	939,965	104,965	388,000	311,298	-76,702	628,667
E41286 Higher Education Top Up	2,415,000	3,651,154	1,236,154	2,100,000	3,249,068	1,149,068	402,086
E41287 SEN contingency	1,300,000	1,299,580	-420	1,300,000	1,274,523	-25,477	25,057
E41288 High Needs in Early Years	366,282	371,824	5,542	366,282	366,282	0	5,542
E42012 Locality Team - Central	406,500	407,463	963	406,500	406,500	0	963
E42013 Locality Team - East	396,500	397,663	1,163	396,500	396,500	0	1,163
E42014 Locality Team - West	427,000	428,445	1,445	427,000	427,000	0	1,445
<b>Totals</b>	<b>31,592,355</b>	<b>36,391,006</b>	<b>4,798,651</b>	<b>31,579,932</b>	<b>37,340,992</b>	<b>5,761,060</b>	<b>-949,986</b>

5.1 Key areas of concern continue to be the independent and voluntary school line and special schools. Further analysis is below.

5.2 There were two main areas of focus for this financial year to address the over spend. These were to create in borough special school places, which are more cost effective than out borough, and to review the plans for young people over 16 years to facilitate better access to local courses.

5.4 As can be seen from the table above, the actual spend on out borough places and services is not reducing, although it has a lower budget than last year and the numbers of the children in the settings is not increasing significantly. This is explored more in point 7.

5.5 Spend on increased in borough special school places is increasing significantly, although spend on mainstream is predicated to reduce, despite rising EHC numbers.

5.6 The spend on post 16 is reducing significantly, although the numbers of young people in post 16 college places is not reducing. This has therefore been an effective strategy.

## 6. Option Appraisal on budget areas and themes

6.1 The areas of potential cost reduction are explored with action and likely impact.

	Area	Action	Likely Impact
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1.	Review special school places to ensure best use	Review demand based on category of need, decommission and re-commission if needed. Place planning report required yearly	Better use of resourcing, unlikely to reduce costs overall, requests for places continues to rise with increased EHC rates, however will prevent costs continuing to rise.
2.	Review special schools top up rates to ensure resourcing meets needs	Compare special schools top up rates across each school setting compared to cost of running school	May adjust rates across settings however unlikely to reduce overall costs, rates comparable or lower than neighbouring boroughs
3.	Review mainstream schools top up rates	Compare top up rates to EHC levels and cost of delivery	Already compensating for lower than average top up rates with SEN contingency payments. Top up rates increased in 2018. May cause further move to special schools
4.	Review non statutory payments to schools	400K SEN contingency 900k secondary contingency	Contingency balances top up rates being low – could move to M/S top up rate (no net gain but more transparent budgeting for schools)  Secondary contingency could return to the block on arrival of hard funding formula 2021
5.	Review non statutory contributions to other services, or change delivery models to contribute more directly to 'stay local' agenda	Reduce contributions to:  Transport Early Help	All services contribute to the management of children with SEND.  Some services are over spending even with contribution from the HNB  Transport is subject to an external review

			and this may release cost savings to allow this to occur.  Can services be more aligned with 'stay local' agenda e.g. vulnerable children in Early Years and family support in later years.
6.	Review joint funding with partners - specifically for education post 19 years	Analyse all provisions for those over 19 years still in education.	Would create pressure elsewhere, however funding would be fairer in terms of growth of this cohort of YP
7.	Review delivery for support in Early Years to ensure strengths are utilised and funding is used most effectively	Review how early interventions are most effectively delivered	Likely to be future area of investment rather than reduction.
8.	Keep costs of placements under review	Maintain contracts list for independent settings and how costs are calculated. Review individual costs and uplifts requested.	May lead to cost savings and prevent future uplifts being unreasonable

Whilst all of the above actions may potentially initially contain spend, some actions may actually increase spend in the medium term e.g. reduction in local special and mainstream school top up, may lead to the commissioning of more out borough school places.

## 7. Comments on budget area of key concern:

7.1 Independent and out borough spend continues despite increased in borough capacity. The use of independent and out borough places are summarised below:

Year	Special Independent (Day)		Special Independent (Residential)		Total by Year
	In	Out	In	Out	
2019	6	94	0	15	114
2018	10	96	0	11	116
2016	8	81	0	16	105

2015	11	67	0	23	101
2014	10	62	0	27	99

Whilst the numbers of school places commissioned have increased, they have not increased significantly given the rise in the number of children with EHC plans, indicating that the locally commissioned places are meeting the rising needs in the main.

Whilst the increase in spend is based on numbers of special school and college places funded, it is also on the additional support needed to meet needs in special and mainstream school.

7.2 The table below summarises the use of this budget and demonstrates the areas of increasing pressure. As can be seen, whilst there continues to be spend on day and residential school places, there is a rising need for additional support into schools, currently commissioned from private providers.

#### **Independent and Out Borough School place costs and support E41260**

<b>Area of spend E41240</b>	<b>Net amount (pre joint funding)</b>
Independent day school fees	4,536,270.66
Residential school fees	2,709,022.10
Additional support into independent schools	684,937.71
Personal budget/home Educated (bespoke)	141,025.74
Tuition – agency into settings or at home	112,582.74
Post 16 alternative provision	103,830.00
Outreach support - private provider	48,557.95
Hospital tuition - no EHC plan	38,512.50
Grand Total before joint funding applied	8,443,910.41

7.3 Tuition through agency, and private providers of AP amounts to £261,969. This is a spend on alternative provisions not previously exposed. Spend on AP is therefore higher than previously stated.

7.5 Of the independent school places commissioned, there are 94 children in independent and out borough private settings. Of these this includes 22



primary, 50 secondary and 22 post 16. This also includes Charedi community schools.

7.6 Of those children in the out-borough places there are key cohorts of children using these places. Of the 934 children with an EHC who have a primary need of ASD, 37 are in independent settings (4%). Of the 274 children with a primary needs of SEMH, 31 are in independent settings (14%).

7.7 Costs per setting are increasing however as uplifts requests continue from the providers. SEND are working with commissioning to challenge these costs.

7.8 The additional support costs for children in the independent schools should be reviewed as the schools are already receiving high private fees.

7.9 There are some emerging trends that need to have a standard response to ensure that budgets are fair e.g. Families choosing to home educate where the LA is providing budgets in the form of a direct payment (as per the Code of Practice) should have a fixed budget based on special school top up rates to enable them to decide on how to appropriately implement the EHC plan for their child.

## **8.0 Different ways of working:**

### **8.1 Early Intervention Funding**

Part of the 0.25% transfer from the school's block was held back to establish an Early Intervention fund as a prevention of escalation and to reduce the need for high cost placements due to behaviour needs e.g. a different way of managing low level SEND needs with highly challenging behaviour to allow statutory assessments to take place or resolve difficulties. This approach has not been implemented as yet due to an anticipated piece of work needed around the new alternative provisions model.

**8.2** Alternative Provisions review is ongoing to outline the best use of high needs funding for young people with Social Emotional and Mental Health (SEMH). Part of this review is to define the Tuition Centre and The Octagon's core offer as part of the provisions to meet needs local. For this to be successful the following is being considered as part of the AP review:

- Increased skill set at primary and secondary to meet needs
- Support that is collaboratively delivered at home and at school e.g. family support as well as teaching support
- Potentially early intervention support for those at school action may still be needed
- Alternative provisions that provide short term interventions based in schools where young people return to their original school e.g. nurture

units. These are base funded by the LA with top up but children stay on their original school role

- More specialist interventions from an SEMH type provision.

Given the costs of the above pathways, current provision needs to be re-designed. This has meant that places have been highlighted as to be re-designated for alternative use in Sept 2020, and this has been shared with the current provider and the ESFA. No financial changes have been made as yet, however this will mean that the place costs will be brought back to the block in Sept 2020 and can be used to fund alternative pathways.

8.3 There may be a period of time in 2020 whereby young people using the current provision need to have their needs met in a different way pending the opening of the new range of provisions. Work is being done with finance to cost out the re-modelling of the provisions and where the young peoples needs should be met in the meantime. The cost of returned places from special schools, and the originally identified 300K from the schools block transfer, may need to be used as part of this model.

8.5 The rough costs of new provisions are £1,425,000 for 2 x 25 place Alternative Unit Provision. and £925,000 for a 20 place SEMH therapeutic provision. This will allow financial support for outreach, training and support from within the current financial envelope and also provide flexibility in terms of provision of a range of alternative pathways to be funded.

8.6 As a part of the offer on new pathways, work has started on the skill set for managing challenging behaviours as outlined including Positive Behaviour Approaches. The CCG has commissioned training in positive behavioural support (PBS) to reduce the need for high cost placements due to behaviour needs, as part of this work in the mental health trailblazer pathway.

8.7 The cohort will initially be those young people with Complex Learning Disabilities and Autism and highly challenging behaviour (transforming care approaches). Key to this being successful is the role of family support.

## **9.0 Development of the Early Intervention and Early Help offer 0-19 years**

9.1 The role of the Early Help offer to reduce the need for statutory support is applicable to children in early years whose needs may otherwise escalate and require statutory interventions, and also those young people at SEN support and with EHC plans, who may form part of the Young People at Risk or alternative provisions pathway, whose needs cannot be managed locally without advice and support at home.

9.2 Consideration needs to be given to how Early Years and school settings can be facilitated to support the pathway as part of the Early Help offer.

9.3 Given the recent statistics on the young people who may vulnerable young people at SEN support level cohort who are not currently in education

employment and training, or their education is unknown, additional actions are needed around tracking and monitoring these young people, to ensure that they remain in education.

9.4 Consideration needs to be given to funding the tracking and monitoring of the success of pupils who initially need to move to local level 1 and 2 college courses, potentially from the schools' block transfer.

9.5 Place planning sufficiency could be extended to include vocational/technical courses at local colleges, to prevent overuse of special school places for young people who might not otherwise need the specialist approaches.

## **10.0 SEND capital grant**

10.1 There has been an allocation 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.

10.2 The current actions are published on the Local Offer and are summarised below:

<https://www.haringey.gov.uk/children-and-families/local-offer/about-local-offer/send-local-offer-review-and-action-plan>

10.3 Actions around the use of the capital grant include:

- Ensuring capacity for setting providing Supported Internships and employment support.
- 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

## **11.0 Conclusion**

Analysis of the spend in the budget shows the following trends:

11.1 Strategies to bring children locally are having some impact on the budget, however special school places are still costing more than the budget available

11.2 The best use of resources and investing in local college places is having the most effective impact on the spend comparing 2018 outturn with predicted outturn for 2019. Although the budget was set at a lower level, the spend is decreasing compared to last year.

11.2 There continues to be a need for specialist additional support at school and at home to keep children locally, and this is now driving the spend on the

independent budget line e.g. specialist teaching, tuition for children out of school.

11.3 Place planning for local needs should be broadened to include technical as well as specialist college courses

11.4 Increasing the range of support in the early years and school age at the Early Help level is needed to reduce the statutory support provided for both education and social care. The 'stay local' agenda will not work in isolation to reduce the spend.

## 12.0 Actions

Action	Anticipated Outcome
Review school fees for best value	Reduce costs
Use money released from de-commissioning of school places to fund new pathways of support for children (SEMH)	Increased consistency of pathways and better value for money
Review partner agency contribution to complex cases	More realistic view of outcomes for young person and true cost across agencies demonstrated
Further detail on place planning to commission and de-commission special school and college places needed	Better use of local recourse and more cost effective strategies
Further standardisation of some growing areas of spend e.g. private tuition costs	Better use of local recourse and more cost effective strategies, better budget prediction
Increased use of skill mix, outreach support and training resources to meet needs at a lower cost	Better use of local recourse and more cost effective strategies – meeting needs locally at a lower cost

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HoS Nov 2019