

**Agenda Item
11**

Commissioning Unit

Report to High Needs Block –

Report Status

For information/note x
For consultation & views
For decision

Report Title: High Needs Block Budget Allocation 2020/2021 and outturn 2019-2020

Author: Nathan Jones, Head of Service SEN and Disability

The purpose of this paper is to:

Set out the proposed budget for the High Needs Block 2020/2021

Report on the forecast outturn position for the High Needs Block across Mainstream Schools Special Schools, Alternative Provision and Hospital Provision 0-25 years 2019/2020

Recommendations:

1. To note the budget position for 2019 – 2020, the pressures and agreed actions taken to mitigate the pressures.
2. To agree the budget proposals for 2020/2021

1.0 Introduction

- 1.1 The purpose of this paper is to report on the outturn of the High Needs Block (HNB) budget for 2019/20, 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). Overall if every child had an ‘average’ support cost of £30k, for the population of children with SEND in Haringey this would indicate a budget of £68.5 million. Of course, there is an extensive range of top ups over the 2,282 children, however this average is taken from CIPFA data.

The budget for 2019/2020 and 2020/2021 is as follows: High Needs Budget 2019/2020	£33,770,00
High Needs Budget 2020/2021 Additional funds	£38,475,244
Additional funds for 2020/2021	£4,705,244

The High Needs Budget has seen growth for the 2020/21 financial year; however, it is important to note that these additional funds for 2020/2021 will only prevent the deficit from growing, assuming that there is no continuing growth across the system. It is important to note that the number of EHCPs that Haringey is responsible for continues to grow year on year, with an 18% growth from Feb 2019 to Feb 2020, as we have seen the number of plans grow from 1,928 to 2,282. This rise is evident across other boroughs too.

- 1.3 Despite additional funding of £4.7M for 20/2021, three particular areas remain of concern, these being further education (FE) top-up, Special School top-up and independent and voluntary schools. All three areas generated a significant overspend against allocated budget. It is proposed that all three areas will be uplifted to reflect spend in the 19/20 financial year, bar independent and voluntary, where we have reduced the proposed budget by £900k against actual spend in 2019/20, for the up and coming year. We expect this to be a budget line that continues to be extremely pressured going forward. This continues to be a high focus area for savings going forward.
- 1.4 The proposed budget for 2020/21 allocates sufficient resources within special schools and specialist provision to meet needs and allocates adequate resources to cover mainstream school needs, including increasing numbers of children with Education Health and Care Plans (EHCP).
- 1.5 To date, Haringey’s strategy remains to use local school and college places to the maximum and where appropriate and to encourage children and young people to remain locally for their education at key transition points e.g. reception, secondary and year 11 transfer. To do this, the borough continues

to work closely with local special schools and FE providers to develop provision offers that meet the needs of the local community and are attractive to our families.

Actions Completed in 2019/20 to reduce pressure on budgets:

- a) The delivery of PBS (positive behavioural support) training to special schools to develop skill set to increase ability to meet the needs of complex children and young people with challenging behaviour. It is hoped that this will reduce the need for specialist independent education provision, keeping young people within their local community and reducing financial pressure on the independent school budget line.
- b) The introduction of universal Healthy Children programmes in Haringey, which previously delivered a targeted offer. Health Visiting two-year old checks have been positive in identifying needs early as well as increasing the number of referrals to speech and language therapy. Speech, language and communication needs continues to be the primary area of needs, particularly within primary provision and 28% of young people with SEND are identified within this category in our borough. This is a key drive around early intervention and training sessions have been provided to families who are waiting for a service, along with telephone triage and this has resulted in waiting times and allowed parents to access support in a timely manner.
- c) Continued close work with the Haringey 6th Form College (H6FC) to support young people with SEND, local FE provision is starting to access Educational Psychology (EP) services for assessment. Haringey has appointed an Autism Advisor who is now working with the FE sector to support transition and to support the early identification of young people with social communication needs and to support the development of these skills.
- d) The appointment of Preparing for Adult Hood advisors with a clear focus on supporting young people with SEND into open paid employment and positive activities has reduced budget pressure as young people are, in some instances, able to work and be more integrated into their local community.
- e) The development of a Preparing for Adult Hood pathway guide to support informed decision making for families and professionals to ensure that young people achieve their future aspirations and understand options available to them. It is planned that this initiative will prevent young people revolving around courses within the FE sector.
- f) Continued growth of The Grove school as we move towards full capacity will continue to see savings as we utilise local provision for a narrow cohort of young people rather than sending to independent provision.

2.0 Budget Allocation 2019/20

2.1 The High Needs Block is predicted to close year end 2019/20 with an overspend of **£5.6M** and the factors driving the ongoing pressure on the high needs block remain the same:

- Continuing rising demand for FE provision.
- Increasing numbers of children with EHCPs.
- Increased requirements for special school places.

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

- The ongoing growth of The Grove special school to supplement the number of places we have locally for our young people:
- Increased overall special school places to meet complex needs.

3.0 Budget Allocation 20/21

3.1 The High Needs Block allocation budget set for 2020/21 is £38.4million: however, based on the 2019/20 projected outturn expenditure £39.4 million is the figure that is actually required to meet the current statutory duties delivered to in the High Needs Block, and therefore an anticipated minimum overspend of £1 million could be expected, should the current spending patterns remain for the year 2020/21. It is therefore essential that there is an ongoing drive to reduce spend where this is possible.

3.2 It is anticipated that the key pressures will remain the same. These are:

- a) Significant yearly increases in the children who require an Educational Health and Care Plan (18%), coupled with the increased age range of responsibility (0-25).
- b) Lack of consistent funding allocation tool for the FE sector.
- c) Increased complexity of young people accessing Haringey's special schools requiring higher levels of funding to provide adequate support.
- d) Increased school top-ups for children in mainstream schools.
- e) Increased costs for children to whom we have a new duty (hospital admission).
- f) A rise in need for residential therapeutic places linked to those with mental health needs associated with Social Emotional Mental Health/Autism.
- g) A possible increasing use of Independent School places with increased transport costs due to lack of local capacity and speciality.
- h) High cost residential places for young people over 18 years of age.

4.0 Proposed Budget

4.1 As a result of additional money being provided by central government, we are proposing changes to a number of budget lines as set out below.

As can be seen from the table in Appendix 1 there are a number of key changes in the following areas:

- i) E41260: the Independent & Voluntary School line has increased from £4,411,494 to £6,630,744, but we do anticipate that this budget will continue to be significantly pressured going forward.
- ii) E41283: Special Schools Top-Up has been increased due to the number of increased places and the complexity of those accessing those places.
- iii) E41284: Mainstream Schools Top-Up has seen a small decrease to reflect the actual spend for the 2019/20 financial year.
- iv) E41285: Special Units Top-Up has been reduced to reflect that fewer young people are accessing this type of provision.
- v) E41286: Further Education Top-Up has been increased as the demands on this budget line increase year on year (reflecting the demands of EHCPs which now run to aged 25).

4.2 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. The number of local places currently available is set out in Table 1 below.

Setting	Places 2015	Places 2020
The Vale	99	106
Blanche Nevile	70	68
The Brook	100	110
Riverside (Including Learning Centre)	120	140
The Grove	42 (was Heartlands)	85
Haringey 6 th form	55	70 (Entry and Foundation)
Mulberry	18	18

West Green	8	8
Total	512	605

Table 1: local special places available

5.0 Budget Recovery Actions 2020/21

1. Independent and Voluntary maintained schools:

The independent school places are used when there is no capacity in local or neighbouring special school settings. This number increased from 89 to 111 places needed in 2017/18 and to 130 in 2018/19. An SEND Commissioning detailed place planning review has assisted in more detailed work on year groups and types of school places needed. Work will continue in 2020/21 to secure best value for these places. While we have seen a reduction in the number of young people accessing independent provision (34), the budget cost remains stubbornly difficult to influence, due to the increasing complexity of need and as the annual cost of living rises.

2. Further (Higher) education top-up:

There is an increasing number of young people staying on in education beyond 19. This is the area of greatest growth due to increasing numbers due to extended age range responsibilities. It has been identified that there is a significant disparity in funding level requests across the FE landscape, with requests for hourly rates from providers varying from £20/hour to £30/hour. The need for a well-developed and embedded ‘preparing for adulthood’ agenda is imperative to support development of appropriate skills to support young people to achieve their potential.

Robust oversight of annual reviews is also needed to ensure that plans are ceased at appropriate times for each young person. Currently Haringey has a comparatively higher number of 20-25year olds with an EHCP: the current figure is around 8% for Haringey while neighbouring LAs have a figure of 5%. This illustrates a potentially significant higher spend than other LAs, at around 45%: however further work needs to be undertaken to fully understand this cohort of young people. We also have to be realistic about how quickly we can move in this area as we risk destabilising the system. However, consideration in the increase in delivery time as FE providers move away from study programmes to T level delivery, this move will require a 50% increase in Guided learning hours. Therefore it is proposed that we move for a system to be in place for Sept 2021 and in the meantime work will be undertaken with Schools Forum High Needs Sub-group to explore further how we reduce spend, alongside working in collaboration with the FE sector.

3. Banding System:

In view of the point detailed above, a review of the borough’s banding system to bring FE in line with other providers would create a system

wide mechanism for allocation of funding that would be driven by the needs of individual children and young people. There is no clarity that this would secure any savings - a significant period of modelling and co-production would be at the heart of any development in this area. Again, given the complexity of this piece of work, and potential implications, exploration will be undertaken in collaboration with the high needs subgroup, SENCOs and head teachers to ensure a system wide approach.

4. Pre-Educational Health and Care Plan funding:

A critical area for development going forward is to improve the LA's offer for children and young people with SEND Support. Consideration must be made as to how we can support effective early intervention in partnership with our mainstream schools. Further work must be undertaken between the borough and schools across the system as to what this may look like and the potential positive impact. We would propose that any work undertaken would embrace SENCO network and High Needs Subgroup to ensure that the approach is collaborative and broadly agreed.

5. The Alternative Provision (AP) review which is due to report shortly, will set out recommendations as to how the social, emotional, mental health (SEMH) cohort of young people will be supported by Haringey going forward. Currently, as a borough, we do not have specialist SEMH provision and this cohort of young people is well represented within the independent sector, creating ongoing pressure on the HNB. Consideration of how we provide early support and intervention for this cohort of young people is also reflected within the AP review.

Conclusion

There is no doubt that a fresh injection of funds into the HNB is positive, however, the need to continue to deliver support for the children and young people of Haringey as effectively and efficiently remains paramount. It is expected that the HNB will continue to be pressured into the future, both for the short term and the long term.

Nathan Jones
HoS February 2020

Appendix A

High Needs Block Proposed Budget 2020-21.

SEND Service Areas		Profit Centre/Group	2019-20 Budget	Proj P09	2019-20 Budget Variance	2020-21 Proposed Budget	Paper Reference
Independent & Voluntary Schools	E41260	Independent & Voluntary Schools	4,411,494	7,450,000	3,038,506	6,630,744	i)
Maintained - Top Ups	E41283	Special Schools Top Up	9,544,600	10,972,413	1,427,813	10,900,000	ii)
Maintained - Top Ups	E41286	Higher Education Top Up	2,100,000	3,261,115	1,161,115	3,250,000	v)
HNB Support to Early Years	E41288	High Needs in Early Years	598,900	783,215	74,315	682,000	
Learning Support Services	E41254	Autism Support Team	426,000	480,994	54,994	480,000	
Sensory Support	E41251	Speech & Language Therapy	522,000	547,000	25,000	522,000	
Maintained - Funding	E41282	Special Schools Place Funding	4,480,000	4,493,689	13,689	4,494,000	
Learning Support Services	E41239	Visual Impairment Provision	177,000	178,341	1,341	178,000	
HNB DSG Contribution to Early Help	E41257	HNB DSG Contribution to Early Help	1,230,000	1,230,000	0	1,230,000	
HNB DSG Contribution to SEN Transport	E41255	HNB DSG Contribution to SEN Transport	225,000	225,000	0	225,000	
HNB Support to Schools (PRU + Hospitals)	E41215	Simmons House	225,000	225,000	0	225,000	
HNB Support to Schools (PRU + Hospitals)	E41217	Tuition Service	600,000	600,000	0	683,500	
Parenting - Information Advice & Support	E41252	Parent Partnership (Markfield)	96,000	96,000	0	96,000	
SEND Manager/Admin	G41243	SEN - Admin Team	292,500	292,500	0	292,500	
Learning Support Services	E41247	Hearing Impairment Team	162,700	162,400	-300	162,000	
HNB Support to Alternative Provisions	E41235	In Year Fair Access Panel	338,000	333,586	-4,414	0	
HNB Support to Alternative Provisions	E41234	Alternative Prov Commissioning	1,197,000	1,188,340	-8,660	1,521,000	
SEN contingency	E41287	SEN contingency	1,300,000	1,274,523	-25,477	1,300,000	
Learning Support Services	E41246	SEN Portage Service	206,000	180,161	-25,839	180,000	
Maintained - Top Ups	E41285	Special Units Top Up	388,000	311,298	-76,702	312,000	iv)
Maintained - Top Ups	E41284	Mainstrea. Schools Top Up	5,254,000	5,115,207	-138,793	5,111,500	iii)
High Needs Block Total			33,774,194	39,400,783	5,516,589	38,475,244	