



**Agenda Item**  
**8**

**Report Status**

For information/note  
For consultation & views  
For decision    x

**Commissioning Unit**

**Report to Schools' Forum 17<sup>th</sup> January 2018**

**Report Title: High Needs Block Budget paper**

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

The purpose of this paper is to outline the forecast outturn position for the High Needs Block 2017-2018 and to agree the proposals for the High Needs Block 2018-2019

**Recommendations:**

1. That Schools' Forum note the forecast overspend on the High Needs Block for 2017/18 and note the actions being taken to address this
2. That Forum note the continued work to implement the DSG Strategy which will affect the overall DSG and the High Needs Block budget and spend from next year.

## 1.0 Introduction

This report is to outline the end of year position and to outline the actions taken to bring the budget to balance April 2018. The report also outlines the budget position for each line in the high needs block for 2018/2019 and seeks Forum's agreement for the use of the high needs block in this way.

1.1. The high needs block budget started the year position in April 2017 with a forecast year end position of a 1.4 million over spend. The overspend was caused by a range of factors. These include:

- An increased cohort of children with Education health and care plans in both the younger and older age group, after the introduction of the increased age range of 0-25 years
- The limited local availability of special school places, particularly for those young people with Autism
- The rising demand for children appearing to require specialist interventions with mental health difficulties – this is expressed as those needing special school places or education funding during an in-patient stay in hospital.
- The increased request for higher top ups for those children with education health and care plans when in mainstream schools. This coincides with both the reducing school funding levels, and also the devaluing of the local top up levels as a result of inflation.

1.2 Due to a range of in year actions the forecast over spend of 1.4 million has been reduced to a forecast over spend of 550K. The in-year actions, previously shared with Forum, taken to reduce the overspend included:

- Reducing specialist staffing by re-structure and through holding vacancies
- Reducing funding for support service such as Early Help and Transport
- Reducing contributions to other services where the funds were not fully used in order to off-set over spending lines.

1.3 Budget was moved in year to reduce over spending lines. The budget was allocated to the mainstream schools line, which is now in balance after an in year uplift of circa 300K, and to the colleges line of E41283. These lines overspent significantly last year.

1.4 The majority of the overspend that remains is on special school places on the following lines:

- E41260 - independent and outborough independent schools and colleges. This line has overspent by £642,648 after income is included
- E41283 - In borough special schools line. This line has overspent by £363,900

A short term solution is needed as a one off position to address the forecast overspend for 2017/2018. As discussed and agreed at the November 2017 meeting of the Schools' Forum, we are adopting a transformational and strategic approach for future years as there will be no facility to off-set overspends in the high needs block with underspends or reserves elsewhere next year, or into the future, and there are not sufficient funds in reserves to support this going forward. As noted, ideally each of the blocks should be working to re-establish reserves through taking a more strategic approach that seeks to manage and respond to demand in an outcomes based and principled way. The detailed work to take forward the DSG Strategy previously presented is now underway and will be shared with future meetings of the Forum.

## 2.0 Setting the budget for 2018-2019

The budget for the High Needs Block needs to be set in such a way that it addresses some of the areas of increased spend, and allows schools and services to support children and promote inclusive practice, reducing the reliance on special school places and in furtherance of our overall strategic approach.

2.1 Previous forum reports noted that there is an increasing need to address the needs of children with complex and challenging behaviour which may result from communication and mental health needs, or other medical needs.

This was also the outcome of the high needs block survey to schools around their views on what would help schools manage the needs of children with complex and challenging behaviour, and maximise the use of local resources.

2.2 As noted above, work has started across the Joint Working Group to finalise and implement the Strategy which will meet these needs best. The budget setting for 2018-2019 begins to recognise the recommendations of the Joint Working Party, but needs further development to add the necessary detail for implementation.

2.3 In some key lines the budget is highly volatile and prediction is difficult to achieve with accuracy e.g. use of school places in independent and out borough settings, where levels of contribution from other parties also off set this spend.

## 3.0 Budget available for 2018-2019

After deductions the high needs block budget for 2018 - 2019 is £34,052,000 which is £570,000 higher than in 2017-2018. In addition, the schools block has already agreed to provide 0.25% of its budget to the high needs block which provides a further increase of £480,000. Given the requirements of the Schools Block, this budget will be used to address rising demand as well as moderate areas of pressure. The total Budget available to the High Needs Block is therefore £34,532,000 for 2018-2019.

### 3.1 Proposals for the use of the budget

#### 3.1.1 Mainstream schools

£300,000 was moved to the mainstream schools line **in year** to meet demand. It is proposed that this line is maintained at this level of spend with a further uplift of 222K, which represents 45p or an uplift of 0.3% on the teaching assistant hourly rate for children with an education health and care plans in Haringey's schools. This is 47% of the funding provided by schools into the school's block. It is proposed that this budget is set at £5,120,000. It is worth noting that the DSG Strategy proposes further work on mainstream school top ups to ensure that both the funding and model are fully aligned and meeting the wider inclusion aspirations of all.

#### 3.1.2 Special Schools

3.1.3 The special schools top ups were increased in 2017-2018 but there is no proposal to increase the rates this year. The Vale's rates are higher than other schools due to costs associated with multiple sites and increased cleaning/amenities costs and management costs paid to the partner schools. Riverside learning centre rates are also set at a higher rate due to the complex and challenging behaviours of the young people, who would otherwise be attending residential colleges or private providers, and often require 2:1 staffing for much of their time in education.

3.1.4 The increased spend on the special schools line is as a result of increased places in the special schools in year and also increased use of maintained special schools out borough. There are also additional costs related to increased complexity of children e.g. there is a cohort of significantly vulnerable children with tracheostomy and oxygen requirements which is higher than in previous years, and who require higher staffing levels.

3.1.5 It is proposed that due to new special school places in borough next year in borough this budget line is increased to £7,706,600.

This will allow for 6 additional places at the Vale, for those with complex medical needs, additional places at Heartlands and the opening of the Riverside 6<sup>th</sup> form centre of 6 places for 16-19 years olds with complex and challenging behaviour.

The additional places at Heartlands will be on another school site, which will be the start of the new special school The Grove as a satellite unit to Heartlands School, and an opportunity to start building the teaching staff for The Grove in anticipation of the school opening. This is also part of the wider strategic approach already discussed to support more children to be educated and supported in borough.

The funding on this line will be increased by £100,00 to recognise the complex nature of some of the children's behaviour which requires additional funding at different periods in the year.

### 3.1.6 New Places are summarised below:

School	Amount	Additional Place costs	Total cost
Blanche Nevile	417,000		
The Vale	1,830,107	146,062	
Riverside	2,048,500	120,000	
The Brook	2,122,000		
Octagon	80,000		
The Grove (heartlands 2 classes off site)	162,925		
Out borough maintained	680,000		
Special schools contingency		100,000	
			7,706,594

### 4.0 Out-borough School Places

It is anticipated that the spend against the out borough line, which includes all age ranges, will start to reduce in September 2019 when The Grove opens fully and Riverside Learning Centre is well established. This is a complex budget line to predict as it includes all those with joint funding who are attending residential schools, and also those young people whose needs cannot be accommodated locally. Joint funding is received into this line from placements and the CCG (Health Services). It is proposed that this budget is increase to £6,560,000 after joint funding from £5,879,400

### 5.0 College Places

It is anticipated that the spend against the colleges line, which includes all age ranges, is starting to reduce, and will reduce further in September 2019 when The Grove opens fully with a post 16 setting, and Riverside Learning Centre is well established. Joint funding is also received into this line from adult's social care services and the CCG (Health Services). It is proposed that this line is decreased to £1,740,00 from £2,342,000.

### 6.0 Tuition and Simmon's House

Applications have been made to the department of Education to increase the places funded at tuition centre in order to start developing the Tuition Centres' offer of short and longer terms places for children with mental health needs, either co-occurring or causing special educational needs. The success of this request to the DfE is not known as yet, however the top up paid to tuition for

those young people with SEND has been increased from £70,00 to £85,000 in anticipation of this occurring.

The seeking of income from Simmon's House places for those young people attending from outside the North Central London network is still being explored.

## 6.0 Inclusion top-up for Early Years

The inclusion top up line is a budget of £396,000 which is high needs block funding moved to the Early Years budget. This budget is used to fund some of the Early Support places in children's centres (with the remainder of the budget on E42188) and also the inclusion top up for 3-4 years olds and 2 year olds. The inclusion top up for 3-4 year olds is a statutory offer.

6.1 To date £98,000 of this budget has been spent on inclusion top ups and £111,000 has been spent on Early Support places from this line. It was reported that the top up's were too difficult for the early years settings to access, which has reduced take up. As a result the paperwork has been reduced to encourage take up. This has ensured more applications however the full budget has not been accessed as yet.

6.1.2 It is proposed that the budget for the Early Support places is amalgamated onto one line in the high needs block on E41288, moving 111K from the top up line to the Early Support place budget.

6.1.3 It is proposed that the remaining budget is divided into the statutory top up's for 3-4 years olds, and a separate line for 2 years olds. In total the budget for both lines will be £195,000. This will return £90,000 to the high needs block which can be reviewed next year should further budget be required.

## 7.0 All other budget lines

In order to allow for the increase budget required in special schools and mainstream schools lines the following budgets have been reduced in year and will now remain at these levels:

Budget Area	Previous Budget	Proposed budget 2-18-2019
Transport	500,000	225,000
Early Help	1000,000	880,000
Language Support Team	308,200	195,000
Autism Support Team	189,500	225,000

Occupational Therapy funding has been increased slightly and added on a separate line to allow visibility of the budget at £83,000.

All other budget lines remain the same or similar levels to last year.

## 6.0 Future proposals

6.1 As a result of the Early Years and High Needs Block working party the use of the budget in future years is being reviewed to support the early years and mainstream school settings to support inclusion. The working party has not concluded its work, however emerging themes in order to support inclusion are:

- Training advice and support on managing complex behaviour and mental health needs
- Access to CAMHS Tier 2 services in schools
- Adequate and consistent funding short term for Early Years and School settings at the point a concern arises for those children with challenging behaviour
- Short term specialist placements offering therapeutic interventions
- Adequate Long term funding at realistic hourly rates for those reaching threshold for statutory interventions.

**6.2 Should more budget become available over time as costs reduce on the independent and out borough lines, there will be further consideration of the areas of priority investment by the early years and high needs block working parties.**

Vikki Monk-Meyer

Head of Service SEN and Disabilities