

**Title:** High Needs Block Budgets

**Date:** October 2017

**Author:** John Huskinson, Finance Director for Education

**Contact officer:** John Huskinson,  
[jhuskinson@buckscc.gov.uk](mailto:jhuskinson@buckscc.gov.uk),  
01296 382384

**Schools affected:** All schools

### 1. Purpose of this report

1.1. This report sets out the proposals for the high needs budgets for 2018/19.

### 2. Background

- 2.1. The Council is required to consult with Schools Forum on the proposals for high needs block budgets.
- 2.2. The pressure on high needs block is driven by demand for pupils predominantly with Education, Health & Care Plans (EHCPs). This has been increasing faster than the general pupil population growth since Special Educational Needs & Disability (SEND) reforms came in to effect in 2014.
- 2.3. The Amount of funding expected in 2018/19 is c £80m, which is c £2m less than the proposed budgets.
- 2.4. A request for schools to consider a transfer of schools block to support high needs in 2018/19 has been include in the Schools Funding Formula consultation.
- 2.5. The SEND strategy sets out high level proposals for SEND.

### 3. Recommendations

***3.1. That the Schools Forum note the changes in budgets for high needs and the rationale for asking schools to consider supporting high needs from the Schools Block, as set out in the consultation proposals.***

### 4. Detailed proposals

- 4.1. The schools block will be ring-fenced from 2018 to 2019, but local authorities will retain limited flexibility to transfer up to 0.5% of their schools block funding into another block, with the approval of their schools forum.
- 4.2. To make such a transfer, local authorities should consult with all local maintained schools and academies and the schools forum should take into account the views of the schools responding before giving their approval.
- 4.3. The indicative funding for HNB (£79.9m) is insufficient to fully fund the pressures on high needs activity in 2018/19 and beyond. This is due to ongoing demand for Education, Health and Care Plans (EHCPs) and pressure on costs of delivery.

- 4.4. The Buckinghamshire County Council Special Educational Needs & Disability (SEND) strategy agreed in 2017 includes addressing this financial challenge. On average, it takes 10 years for pupils supported under the HNB to move through the education system. The ability of BCC to make significant savings in costs in the short term is therefore limited.
- 4.5. Additionally the changes require a different way of working and “investment” to support these aims. An analysis of the proposed budgets for 2018/19 and a description of the activities are set out in the **Appendix**.
- 4.6. This shows a £2m estimated pressure in spending for activities for 2018/19 despite efficiencies in a number of areas.
- 4.7. The greatest anticipated increases in spending are special schools funding (H1) and funding of schools supporting children with EHCPs (H4) and without EHCPs (H18) and the pressure brought forward from 2017/18 budget funded by other sources (H9).

## 5. Impact

- 5.1. Without the right level of support (financial and non-financial) Buckinghamshire schools will not be able to support the outcomes of pupils with SEND as effectively as desired. In some cases ineffective support may result in pupils needs being escalated to more resource intensive services at greater cost.

## 6. DSG Funding

- 6.1. The national funding formula for high needs results in BCC indicatively being allocated c £80m in 2018/19. A large proportion of this is “protection” funding (c. £15m in 2018/19) agreed by the DfE to prevent LAs currently spending higher levels on high needs, from being drops in funding.
- 6.2. The implication of this is that any increases in high needs formula allocation (due to growth in demand) will be offset by a reduction in protection funding and the total high needs block allocation will remain the same for many years.

### *Indicative High Needs Block funding allocations for BCC*

Year	Indicative High Needs Block	Notes
17/18	£78.8m	After re-baselining by DfE to reflect 2017/18 planned spend.
18/19	£79.9m	£1.1m extra
19/20	£80.3m	Further £0.4m
20/21+	£80.3m	Same for many years

## 7. Budget uncertainties

- 7.1. At the time of this report the final allocation of places in special schools and Alternative Resource Provisions (ARPs) for Sept 2018 will not have been finalised so there is some uncertainty in these budgets.
- 7.2. Individual children placed out of county can cost over £250k each and whilst BCC will endeavour to avoid these levels of costs, if a child eligible for support from BCC presents during the year the child’s needs must be met.
- 7.3. The housing growth in Buckinghamshire presents uncertainty in estimating pupils needing support both in mainstream schools and special schools and other settings.

7.4. If the request for schools block transfer for high needs is not supported, the Council is estimating £1m in the Dedicated Schools Grant (DSG) reserve which could be used to offset the pressures in the first year. This is non recurrent funding.

## Appendix – High Needs Block Funding Requirements for 2018/19

### High needs budgets and description

Ref	Service Area	Description	2017/18 budget	current forecast	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget
<b>FH</b>	<b>Indicative High Needs Funding DSG Block</b>		<b>-76.444</b>	<b>-76.444</b>	<b>-79.900</b>	<b>-80.300</b>	<b>-80.300</b>	<b>-80.300</b>
H1	Special schools funding	Funding of special schools, including additional top ups and commissions. £10k funding per place plus top ups. 1412 places funded in 2017.18 budgets. Assumes growth in places (currently being agreed) and changes in funding based on mix of pupils supported becoming more complex.	29.526	29.716	32.000	33.000	34.000	35.000
H2	Independent schools	Funding for independent schools, many of which are very specialist. 2017/18 has 258 FTE pupils at average cost of £65k currently. Strategic aim is to reduce places and meet needs in Buckinghamshire schools more.	15.000	14.250	14.500	14.000	13.500	13.000
H3	Post-16 High Needs	228 students x average top-up of £22,923, add £602k for place funding in colleges.	5.910	5.910	6.000	6.000	6.000	6.000
H4	Support above £6k for pupils with plans in mainstream schools	Includes top up for plans over £6k and additional funding where notional (£6k) is inadequate. Assuming an increase to keep more pupils in mainstream where appropriate.	5.556	5.990	6.500	6.500	6.500	6.500
H5	Pupil referral Unit funding	Aspire secondary PRU and Primary PRU. 238 places at £10k plus top up plus funding for outreach and in reach services. The PRUs also charge schools and this funding partially subsidises the cost. The cost of delivering these and the funding of them are also being reviewed in 2017.	4.445	4.628	4.600	4.600	4.600	4.600
H6	hospital and home tuition funding	Commissioned from ASPIRE secondary PRU. Aspire = 192 FTE places @ £10k and Primary PRU = 36 FTE @ £10k. The places are based on full time equivalents. Typically PRUs will have capacity at the start of the year but then reach capacity towards Easter - last year they were full not long after Christmas.	0.422	0.467	0.500	0.500	0.500	0.500

Ref	Service Area	Description	2017/18 budget	current forecast	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget
H7	Alternative Resource Provision in mainstream schools	Funding of additional resource provisions (ARPS) in schools. £6k per place from 2018/19 with schools keeping pupil funding instead. (255 pupils x £4k = £1.02m reducing in this budget, but compensating increase in the school budgets). Assumes also increase to ensure ARPs are sustainable funded to help keep pupils in most appropriate settings.	4.690	4.690	4.000	4.000	4.000	4.000
H8	high needs contribution to BCC overheads	Funding to BCC overheads related to delivery of high needs services. Same figure each year now incorporated into high needs block (figure rounded)	1.968	1.968	2.000	2.000	2.000	2.000
H9	Non recurrent DSG reserve use	The budget for DSG did not balance in 2017/18 and £662k of reserves was needed. This was non recurrent funded by a reduction in the amount needed for capital funding.	-0.662	- 0.662	0.000	0.000	0.000	0.000
H10	Kiteridge boarding	Overnight accommodation next to Kiteridge school provided by Action for Children. Registration likely to change in 2018 and DSG funded will no longer be eligible from that point.	1.086	1.086	0.000	0.000	0.000	0.000
H11	Therapies (SALT and OT)	DSG funding (apart from £135k from BCC) for integrated therapies contracts. Demand pressures require ability to extend contract to continue to support children needing the services.	1.631	1.671	1.700	1.800	1.900	2.000
H12	Contribution to early Help services in BCC supporting education	Reduced contribution to the early help services supporting education, in line with early help remodelling, to with more support being directed to schools directly. Still at consultation stage re design and delivery models. The saving is proportionately greater than the Council budget saving through remodelling.	0.935	0.871	0.500	0.500	0.500	0.500
H13	Specialist teaching service	Specialist Teaching Service provided through BLT currently. Pressure on demand.	2.057	2.287	2.200	2.200	2.200	2.200
H14	Education Psychology contribution	Contribution to Education Psychology Services costs to provide support to schools.	0.680	0.680	0.700	0.700	0.700	0.700
H15	Recoupment to and from BCC for HN	Places in other authority's schools (£3.5m = 264 @ £13,395 less c. £1m recouped" for other authorities use of our special schools budget last year but demand and prices variable and pressures on special schools in other authorities also.	2.500	2.538	2.750	2.750	2.750	2.750
H16	Re-integration	Staffing to organise when pupils are excluded and funding for managed moves. Lump sum if keep child (Managed move grant)	0.444	0.360	0.400	0.400	0.400	0.400

Ref	Service Area	Description	2017/18 budget	current forecast	2018/19 budget	2019/20 budget	2020/21 budget	2021/22 budget
H17	Schools post-16 £6k for EHC Plans	Post 16 (6 <sup>th</sup> form) funding of 60 places in academies funded at £6k but recouped and paid directly by EFA alongside other 6 <sup>th</sup> form funding. Also 14 places in mainstream secondary schools (£84k) similarly recouped. Assume increase in pupils in our schools.	0.324	0.440	0.500	0.500	0.500	0.500
H18	High Needs Block Funding Schools	Panel decide on additional support to pupils without an EHC plan. Growth allowed for supporting schools in meeting the outcomes in the short term without the need for a plan.	0.700	0.700	1.000	1.000	1.000	1.000
H19	High Needs Block Funding Early Years (early years inclusion fund)	Panel decide on additional support to for early year's children without an EHC plan. Early years inclusion fund supports c £500k on top of this with high needs block being used in more complex cases. Slight pressure on budget.	0.050	0.050	0.100	0.100	0.100	0.100
H20	Portage	Staffing to help parents of pre-school children with disabilities.	0.200	0.202	0.200	0.200	0.200	0.200
H21	Educational Equipment	Specialist education equipment mainly through Nottingham Rehab Service but also spot purchased	0.240	0.250	0.250	0.250	0.250	0.250
H22	Educating Children in Public Care (ECPC)	Cost of virtual school.	0.700	0.708	0.700	0.700	0.700	0.700
H23	Early Years EHC Plans	Funding to support pre-school children with plans.	0.290	0.275	0.300	0.300	0.300	0.300
H24	Alternative Provision	Progress schools. Also facilitates the Fairer access board admin. Contract with progress being renegotiated and will increase.	0.431	0.500	0.500	0.500	0.500	0.500
	<b>High Needs DSG spend</b>		<b>79.123</b>	<b>79.575</b>	<b>81.900</b>	<b>82.500</b>	<b>83.100</b>	<b>83.700</b>
	<b>Net high needs block</b>		<b>2.679</b>	<b>3.131</b>	<b>2.000</b>	<b>2.200</b>	<b>2.800</b>	<b>3.400</b>