

# **INCLUSION AND STRANDS: QUARTERLY – FINANCE UPDATE**

## **Report to Schools Forum**

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**Title:** **Dedicated Schools Grant – 2017-18 Outturn report and Reserves**

**Date:** 12<sup>th</sup> June 2018

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**Schools affected:** All schools and Early Years providers

### **1. Purpose of this report**

This report follows up a previous report to Schools Forum on 16 January 2018 concerning pressures within the High Needs Block. To partially address these pressures, Schools Forum agreed for 650k to be transferred from the Schools Block.

This report provides the financial updates related to this. Schools Forum to note the financial update and consider these for agreement.

### **2. Background**

The transfer from the Schools Block was agreed on the proviso that the ambitions of the SEND Strategy were realised reducing dependency on high cost out of county provision. At a previous meeting the Director for Education shared a proposal for the development of an 'Inclusion Hub,' a collaboration between the Special Schools with mainstream, Additionally Resourced Provision (ARP) and Pupil Referral Unit (PRU) representation to enable a rigorous review of the 'as is' provision for children with additional needs against demand coming through.

The Inclusion Hub aims to reconfigure capacity against demand so that it is needs led and value for money operating on a principle to place children and young people in Buckinghamshire where possible. The Inclusion Hub also aims to support a culture of inclusive practice through the development of an 'Inclusion Charter.' A service update will be provided by way of a presentation.

### **3. Finance – High Needs**

The high needs block (total budget: £83.1m) continues to have pressures in spend. Before the use of reserves and other adjustments the high needs block is budgeted to overspend by £2.5m.

This £2.5m pressure is made up of:

- £2m of this forecast overspend is necessary increase in special school funding.

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- £0.33m is changes in joint funding of independent placements to ensure funding is needs led from across Education, Health and Social Care.
- £0.17m sundry net changes (i.e. provider contracts, demand and other changes)

Schools finance and the Service have been reviewing all the spend and activity and have managed to contain pressures and make savings where possible. Schools Forum will be kept updated as the year progresses.

High needs block can be currently summarised as:

<b>High Needs Block Summary</b>	<b>Original Budget 2018/19</b> (agreed at Schools Forum Jan 2018)		<b>Revised Budget 2018/19</b> (as at June 2018)
Total High Needs Block (budgeted spend)	81,260,090		83,131,096
DfE Allocation (as at April 2018)	(79,984,465)		(79,984,465)
Schools Forum support (agreed transfer from Schools Block)	(650,000)		(650,000)
<b>Total Funding</b>	<b>(80,634,465)</b>		<b>(80,634,465)</b>

Shortfall	625,625		2,496,631
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Historical DfE funding (transfer to high needs agreed by Schools Forum previously)	(1,708,000)		(1,708,000)
Other adjustments:			
Special schools funding increase retention			(414,096)
ARP - reduced estimate at May 2018			(177,768)
Non-recurrent element of Alternative Places budget			(287,000)
Remaining Reserves released			(62,745)
Additional place requirements (est. panels pending)			130,000

(Contingency/to reserves)/Deficit	(1,082,375)		(22,978)
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Since the last forum the key financial updates are:

- Initial work with Special schools and ARP's on funding was completed by John Huskinson and the results announced at the February Inclusion Hub meeting.:

### Special Schools

- Special Schools to be funded overall to £32.5m. This represents an increase from the original £30.5m presented at Schools Forum in January. This is an interim arrangement until August 2019 when the new high needs formula will be implemented.

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- b. After the Inclusion Hub meeting mentioned above, £414k of the funding increase that was originally proposed to go to specials schools was retained due to concerns about pressures in the overall high needs block.

### Additionally Resources Provision (ARPs)

- c. It was announced at the Inclusion Hub meeting that ARP's funding needed further work. It is now recommended that ARP funding continues based on the old locator system going forward until work on the new formula is completed (The locator system is the way in which funding for different SEND are determined in ARPs and is being replaced by the new formula)
- (ii) We are continuing to develop a formula based approach replacing the locator system. Several meetings have been held and approach is being tested with 2 special schools and will be widened to all schools soon. Work with ARP's is planned later in the summer and they will be contacted shortly on this.
  - (iii) Schools Forum were advised in January that independent school placement budget could decline to £13.4m at a rate of 12 children per annum on average. However, the increase in Education, Health and Care Plans has suggested a more cautious approach this year, for purely budgetary purposes. The budget is currently set at £14.3m, which is the same as last year's outturn figure.
  - (iv) The use of historical DfE funding agreed previously for High Needs is now fully required. This amounts to £1.7m and was agreed by Schools Forum in January.
  - (v) There is very little contingency left and what is left is needed to create spaces, as PRU's and Special Schools are generally full.

## **4. Decision and recommendation**

- 4.1. That Schools Forum notes and agrees the report including the necessary adjustments to funding and the detail in the supporting presentation.



Schools Forum  
Inclusion Hub present

- 4.2. A task and finish group is created to develop a standardised reporting system for detailed updates at future Schools Forum meetings.