

Schools Forum October 13th 2016

Special Educational Needs: High Needs Block Update 16/17 and Issues for 17/18 and beyond

1. PURPOSE OF REPORT – FOR INFORMATION ONLY

1.1 This report sets out the financial concerns affecting the 2016/17 High Needs Block (HNB) and suggests a range of approaches needing to be considered so that action is taken in the short, medium and longer term to address these concerns.

2. BACKGROUND

2.1 As most schools will be aware, both the funding for pupils with high-level special needs and the number of places at local Special Schools and Resource Bases in mainstream schools have been under significant pressure for some time. As at the end of September 2016 there are 1,089 pupils aged 16 and under with Statements of SEN or Education Health and Care Plans, with over 100 more aged 17 and over.

2.2 At the start of the current financial year, there were three areas of significant backlog of work within the SEND Service (managed by the Children's Services Trust since October 2015). These related to new Education Health and Care assessments being not completed on time; requests and recommendations for changes arising from annual reviews of pupils with Statements not being actioned and insufficient work undertaken to 'convert' Statement to EHCPs.

2.3 Progress has been made in all three areas, but the service is not complacent about the scale of what still remains to be done

2.4 Because specialist provision in Slough is currently at (or over) agreed capacity, more children and young people are attending schools in neighbouring areas and there are also more children who are attending fee-paying schools related to their social care needs and placements.

2.5 As part of the first round of monitoring spending within the High Needs Block for 16/17 a significant projected overspend has been identified, which is in large part a result of spending falling into this financial year which relates to costs incurred by schools and others in previous financial years.

2.6 Clearly this situation has to be managed to reduce the projected overspend and to manage out the problem in this year and over future years. The next section of this report sets out a series of actions that need to be considered for implementation as part of the 'Recovery Plan' for the High Needs Block

3. PROPOSALS UNDER CONSIDERATION

There are a range of options that are set out below. At this stage these are for information and for your views. The detailed Recovery Plan will be drafted following this meeting and presented to a future meeting of Schools Forum. An independent consultant has been engaged to carry out a short piece of work to investigate the budget spend and advise on potential areas of action to address the issues. Current options for consideration are as follows:

3.1 Roll Forward

The least attractive option, but one which could be considered, is to roll-forward the 16/17 overspend as a prior commitment against the 17/18 budget. This seems neither sensible nor sustainable, given the fixed nature of this element of DSG and the growing need as numbers increase.

3.2 Banding

It has been suggested that a reduction in the value of each top-up band should form part of the recovery plan. This would have to be carefully managed so that the impact on any individual school budget is not greater than 1.5%.

However, the backlog of Annual Reviews dealt with by the Trust since Easter 2016, has shown a consistent pattern of requests for increases in banding levels, which were judged by the SEND Service to be supported by evidence of the pupil's needs

3.3 Out of Borough Independent Sector Placements

A new working protocol has been introduced within the Trust so that social workers seeking new care placements or changes of existing ones are required to identify a suitable state school close to the placement address as the first option in all cases. Even with this in place, there has been a rise in the number of children and young people previously in state schools who are now educated at fee paying schools, largely in other parts of the country.

As part of ongoing commissioning work with the Trust, there is a commitment to work to reduce the cost of these placements and any successful reduction in the educational fees will reduce pressure on this element of the HNB.

3.4 Out of Borough State School Placements

The combination of schools capacity (especially at secondary), parental preference and the assessed needs of the child or young person, has led to an increase in the number of Slough children attending state schools in other local authority areas. Generally to top-up funding for those pupils is related to the Slough banding, but each local authority operates different structures and levels, some higher than Slough some lower. These Out of Borough placements have little financial impact on the HNB but create significant pressures on the Borough Council's Transport Budget.

There seems little scope for significant impact on the projected HNB overspend by taking action in this area

3.5 HNB line by line review

Every budget line within the HNB needs to be re-examined and it may be appropriate to focus more of the spend on higher levels of need, for example that the commissioned work of the Berkshire Sensory Consortium be re-prioritised to work only with pupils with Statements or EHCPs and the spend in this area reduced.

Every commissioned service may need to be similarly re-examined and the 'eligibility' threshold for HNB funding limited to high-level SEND and PRU only.

For those areas of HNB spend that are not payments directly to schools nor a commissioned service, this funding may need to be scaled back or removed. This may impact on staffing levels and capacity within both the Trust and SBC. This includes all those elements that are currently centrally-retained.

3.6 Support from Schools Block

As part of the mix of options, there may be a need for a detailed, costed request to a future Schools Forum for a one-off transfer from Schools Block to HNB to form a part of the Recovery Plan

4. LONGER-TERM ISSUES

4.1 Given the 2016/17 situation re lack of capacity at Special Schools and Resource Bases, there are a number of suggestions under discussion and proposals in development to invest capital resources in Slough to increase capacity

4.2 However, the current pressures on the HNB outlined above in addition to the fixed nature of this element of DSG, presents a dilemma to both SBC and the Trust, which needs to be shared with Schools Forum as part of this paper.

4.3 The costs of school places at Special Schools and of the majority of the cost of a place at a Resource Base are met in full from the HNB. The size of the HNB is determined based on a formula rather than pupil numbers, so increases in school capacity within Schools Block are not matched in terms of the flow of pupil funding by increases in places funded by the HNB.

4.4 In short, any increase in capacity as a result of capital investment, may have no revenue stream to support it.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 See section 3 above

6. SUPPORTING INFORMATION

6.1 Not applicable

7. ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

7.1 Not applicable at this stage, but all proposals to be included in the proposed Recovery Plan will be the subject of detailed consultations with senior officers in Slough Borough Council Legal Services and Finance as well as with the Schools Forum HNB sub-group. The independent Consultant will report to the Council by end of November.

8. CONSULTATION

None at this stage

The views and suggestions of Schools Forum are welcome on all of the issues and proposals outlined above and Schools Forum is asked to agree to re-instate the HNB sub-group to support the development and monitor the implementation of the proposed Recovery Plan.

Contact for further information –

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