**SCHOOLS FORUM – 13TH MARCH 2018**

**SEN – HIGH NEEDS BLOCK ALLOCATION 2018-19**

**Introduction**

The purpose of this paper is to advise Schools Forum members of the proposed allocation of the High Needs Block (HNB) for 2018-19 and seek any comments they may have.

**Background**

The 2018-19 indicative High Needs Block allocation issued by the DfE shows an allocation to NELC of £17.682 which is an increase of £0.572M on the 2017-18 allocation.

In respect of the increase this has arisen as a result of the introduction of the new High Needs National Funding Formula. The new National Funding Formula was subject to a period of consultation through the summer of 2017 and is designed to direct the High Needs Block funding to the most needed area. Additionally central government announced that it was putting additional funding into this area in recognition of the increasing national need.

The proposed allocation of the HNB for 2018-19 represents a further refinement of spending since the first SEN Financial Plan was presented to Schools Forum in 2012-13. Since this time changes have been made in line with national changes to the funding of High Needs, revised operational models, changes in demand, a re-negotiation of SEN contracts such as Outreach and Physical Difficulties and a refinement of spending based on current spending patterns and expected demand.

Members are also reminded that the current allocation is financial year based whereas funding for some of the establishments, special academies, PRU’s are academic year based.

As in previous years Members are further requested to note that in respect of our special academies final admission numbers will not be known until the summer and therefore the final value of top up funding cannot be precisely estimated at this time.

**Summary of the Main changes**

Whilst the increase in the funding is significant and welcomed current spend projections and demand in the 2017-18 financial year has been significant and does not result in solving the funding pressure faced. The attached Appendix 1 shows the proposed allocation for 2018-19. As stated above, refinement has taken place and where for example costs have been moved between headings the comparator has also been restated.

Members attention is particularly requested to be drawn to the section in respect of the BAC’s income which highlights a diversion from previous years.

The main considerations are detailed below:

**Agency Placements**

This area continues to experience both increasing demand and increasing costs from providers. During the 2017-18 financial year new placements have cost the Council circa £800k although there has been some off set by placements ending / reducing. As such it is necessary to increase the budget provision. The council continues to monitor this area of spend and has introduced an active programme to monitor and quality assure the placement settings and where possible review all placements and where there would be no material dis-benefit for the child / young person move them to lower cost placements.

**Special / Mainstream School Banding Value Top Ups**

An increase in some Top Up values was possible last year after a two year standstill. In keeping with previous years the affordability of the High Needs Bock after factoring in demand pressures and a review of the top up rates with comparator authorities indicated that broadly these remain comparable. Consequently no increase to any of the top up rates can be proposed or recommended for 2018-19 and the rates, with the exception of Band 4, will remain as for 2017-18.

|  |  |  |
| --- | --- | --- |
| **Band** | **Current Top Up value £** | **Proposed Top Up value £** |
| 4 | 1,015 | 0 |
| 5 | 2,600 | 2,600 |
| 6 | 5,650 | 5,650 |
| 7 | 7,100 | 7,100 |
| 8 | 10,400 | 10,400 |
| 9 | 14,210 | 14,210 |
| 10 | 19,285 | 19,285 |

In respect of Band 4 this was always a bit of an anomaly and accepted by the professionals that these children were best served by mainstream education provision. Currently there are no designated Band 4 children within the Borough and as such the value on this banding is to be reduced to nil.

As reported at the last Forum when the High Needs Place return was discussed an increase of 6 commissioned place numbers at one of our special schools has also taken place.

**Alternative Provision**

No changes to place numbers or top up rates are proposed. The increase is largely due to the full year effect of the previous year increase in the top up rate which came into effect on the 1st September 2017.

**Post 16**

Discussions have been held with the Service Manager and whilst this budget remains under constant scrutiny the current budget is sufficient to manage current demand levels and agreed costings. The budget will however need to be monitored to ensure this remains the case.

However, during the year the total costs have been investigated and SEN transport in respect of post 16 is now allocated to this area.

**SEN Services**

The reduction of spend in this area is down to a number of factors, the removal of posts, lower management costs and the removal of contingency.

**Early Year / SEN Inclusion Fund**

The increase in this area is based on projected 2017-18 spend. Over the past few years awareness of this new fund has been promoted and demand needs identified.

**BAC’s Income**

Income from the BAC’s process continues to be collected where exclusions occur. Over time decisions have been made by Forum to allocate some of this to fund specific activities. This includes a mixture of staffing, additional alternative provision places, other provision in addition to the contribution to the Behaviour Service Team. More recently it was agreed to contribute an element of this income to fund a group of staff within the Localities team.

What has always been resisted is building in the BAC’s income into the base funding budgets due to the perverse message this could send out. Unfortunately Appendix 1 shows that in order to balance the High Needs Block use of an element of the BAC’s income is required. This does bring about risks which will need to be managed and monitored.

**Recommendation**

The setting of the High Needs Block allocation does not require a decision from the Schools Forum and the report is for information and noting only.

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