

**SCHOOLS FORUM – 15<sup>TH</sup> MARCH 2017****SEN – HIGH NEEDS BLOCK ALLOCATION 2017-18****Introduction**

The purpose of this paper is to advise Schools Forum members of the proposed allocation of the High Needs Block (HNB) for 2017-18 and seek any comments they may have.

**Background**

The 2017-18 indicative High Needs Block allocation issued by the DfE shows an allocation to NELC of £17.110 which is an increase of £0.992M on the 2016-17 allocation.

In respect of the increase nationally £125 million has been transferred from the DfE's post-16 budget to the high needs block baseline. This is a transfer of place funding for high needs places in FE colleges and post-16 charitable and commercial providers (CCPs). These institutions currently receive £6,000 per place from the EFA as part of their post-16 allocation. From 2017 to 2018 all of these places will be funded from the initial high needs block allocations to local authorities. Deductions will then be made to fund institutions directly, based upon information collected from local authorities, before the high needs block allocations are finalised in March 2017. The EFA will continue to pay this place funding direct to institutions.

The proposed allocation of the HNB for 2017-18 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, a refinement of spending patterns and more recently to reflect additional places required at the primary BAC's.

Members are also requested to bear in mind that the current allocation is financial year based whereas funding for some of the establishments, special academies, PRU's are academic year based.

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**

The attached Appendix 1 shows the proposed allocation for 2017-18. As stated above, refinement has taken place and where for example costs have been moved between headings the comparator has also been restated.

The main considerations are detailed below:

### **Agency Placements**

This area continues to experience both increasing demand and increasing costs from providers. 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 placements 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**

Top Up values have not been uplifted for two years due to affordability issues around the High Needs Bock allocation. A review of these indicates that broadly these remain comparable with the region in terms of the value range but not as an average. The last time an uplift was applied this was as a general 1.5% uplift. There is the chance to apply a modest uplift, however rather than a general uplift a more targeted application is preferred.

Current and proposed banding values are shown in the table below:

<b><u>Band</u></b>	<b><u>Current Top Up value £</u></b>	<b><u>Proposed Top Up value £</u></b>	<b><u>% change</u></b>
4	1,015	1,015	0
5	2,335	2,600	11
6	5,585	5,650	1
7	6,900	7,100	3
8	10,150	10,400	2
9	14,210	14,210	0
10	19,285	19,285	0

In respect of mainstream schools they will also benefit from the above uplift, the most common designation for children in mainstream schools being Band 5.

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

The new rates will take effect for schools from the 1<sup>st</sup> April 2017, for special academies the new rates will take effect when the current funding arrangements end on the 31<sup>st</sup> August 2017.

### **Alternative Provision**

Two matters have occurred within the 2016-17 financial year which need to be reflected within the 2017-18 budget allocation.

The first is that the all of the commissioned AP places have now been put on the High Needs Place return and consequently the “per place” funding will be extracted by the EFA and paid direct to the provider.

The second is that during the year the provider requested the Council review the basis of its top up arrangements. Investigations found two matters which the Council felt it needed to address.

The first of these was that due to the historic arrangements when the SEN Funding reforms were introduced in 2013-14 it was found that children with the same need were being funded at different amounts depending on the setting.

Secondly when the rates paid were compared to our neighbouring Authority's it was found that these were markedly lower.

As a result the Council has agreed to increase the top up rates. This increase is to be phased in during April and September.

### **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.

### **BAC's Income**

Although not reflected in Appendix 1 over and above the High Needs Block allocation income continues to be collected as part of the BAC's process. Over time decisions have been made by Forum to allocate some of this to fund specific activities. This includes a mixture of staffing, additional places and other provision in addition to the contribution to the Behaviour Service Team.

**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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