

22 February 2017

HIGH NEEDS BUDGET 2017-18

Report of the Director of Children's Services

Author: - Yvonne Medlam / Debbie Orton
Tel: - 01992 588556

1. Purpose

- 1.1. To seek the support of the Forum for the 2017-18 High Needs Budget proposals.
- 1.2. To seek the agreement of the Forum to the central retention of funding for statutory duties previously funded through the ESG in respect of maintained special schools and pupil referral units.

2. Recommendations

- 2.1. The Forum is asked:
 - to support the budget proposals in this paper;
 - support the proposed use of the Strategy Development Fund.
- 2.2. The Forum is asked to agree the central retention of £1 per place in maintained special schools and pupil referral units to cover the statutory duties previously funded through the ESG.

(Voting by maintained special schools and maintained PRUs only).

3. Background

- 3.1. Previous reports about the 2017-18 High Needs budget were considered at the December and January Forum meetings. The High Needs Block has been increased by £3.657m above the 2016-17 allocation. The DfE had previously indicated that local authorities should assume no change in the high needs block between 2016-17 and 2017-18 (other than the adjustment for changes in

responsibilities). Thus, extra resource not previously taken into account in the budget has been made available.

- 3.2 Decisions were taken on the budget proposals at the December and January Forum meetings and these have been incorporated into the 2017-18 budget.
- 3.3 Decisions regarding the Authority's proposals at the January Forum to fund high needs cost pressures and rebuild the SEN Strategy Development Fund (SDF) were deferred from the January Forum for more discussion and so that the High Needs Sub Group could draw up new proposals.

4. Overall budget position

- 4.1 At the January meeting the Forum deferred a decision on two proposed elements of the High Needs budget. These were:

	£m
Cost Pressures	1.545
Rebuilding the SDF	<u>1.961</u>
Total	3.506

The high needs sub group met on 1 February and the outcome of the meeting was new proposals for the use of this resource. These are as follows:

- a) To partially fund the cost pressures in special schools at a cost of £555k.

The High needs sub group concluded that in view of the growing deficits in many special school it would propose to fund the element of the cost pressures relating to pay inflation and the apprenticeship levy in special schools.

- b) To fund cost pressures of £66k in central support teams and outreach.

The High Needs sub group agreed to fund cost pressures in the support and outreach services as this affects the provision of staff due to the nature of a mainly staff only cost.

- c) To rebuild the SEN Strategy Development Fund (SDF) with the balance of the unallocated high needs DSG: £2.885m. Proposals for the use of the SDF are set out in paragraph 5 below.

- 4.2 It is not proposed to increase any other budgets for cost pressures. Many other areas of the high needs budget are under review and some have had additional resources allocated in 2017-18. The funding for special units and bases will remain at 2016-17 levels while the reviews take place. Any savings made as a result of reviews will be transferred to the SDF.

5. Strategy Development Fund (SDF)

5.1 The purpose of the SDF is to provide resources for new initiatives and priorities arising from the SEND Strategy Review. The SDF also provides a reserve for the Schools Budget as a whole.. Given that the Strategy Review work will be ongoing throughout the year, the allocation of the SDF can be decided in more detail as the outcomes of the workstreams are finalised. The High Needs sub group has given an indication of how the SDF might be allocated in the first instance. This proposal allocates the funding over 3 main areas:

- a) Development of SEND Services (incl Communication & Autism teams and Physical & Sensory teams): £450k
- b) Funding Review of Special Schools Top Ups: £750k

Special school budget shares are calculated in March and DfE requirements mean that it is difficult to change the funding rates mid-year. Therefore it is anticipated that changes to top up rates would not be introduced until April 2018. However if a school is identified as being in financial difficulty due to a top up rate which the funding review has concluded is inadequate, consideration may be given to provide additional funding during the year. This would be provided by allocating resource from the SDF to the contingency budget for special schools in financial difficulty.

- c) Review of Complex Needs including Secondary Behaviour: £1.685m

5.2 Table 1 provides a summary of the SDF proposals.

Table 1 Strategy Development Fund	£m
Development of SEND Services (incl Communication & Autism teams and Physical & Sensory teams)	0.450
Funding Review of Special Schools Top Ups	0.750
Review of Complex Needs including Secondary Behaviour	1.685
Strategy Development Fund	2.885

6. Summary of High Needs Budget

6.1 Annex A shows the detail of the High Needs Budget including both the budget changes agreed previously and those being proposed in this paper. Table 2 provides a summary.

Table 2 High Needs Budget 2017-18	£m
High Needs Budget 2016-17	97.858
Change in responsibilities	2.591
Previously agreed Pressures	5.894
Previously agreed Savings	(2.041)
New Cost Pressures Proposed	0.621
Adjustment to SEN Strategy Development Fund	(0.762)
High Need Budget 2017-18	104.161
Balance available for SDF	2.885

7. Central retention of resource for statutory duties – maintained special schools and PRUs

- 7.1 The DfE has now published the funding regulations for 2017-18. These set out that the arrangements for the central retention of resource to cover statutory duties in respect of maintained schools (previously funded by general ESG) apply not just to maintained primary and secondary schools but also to maintained special schools and PRUs. (This is different to the process of de-delegation which only covers maintained primary and secondary schools.)

At its December meeting the Forum agreed a central retention rate in respect of statutory duties of £1 per pupil for maintained primary and secondary schools. The central retention rate for special schools and PRUs has to be set on a per place rather than a per pupil basis. It is possible to set a central retention rate for special schools and PRUs which is different to primary and secondary. However, for simplicity it is proposed to set the same rate of £1, per place.

8. Conclusion

The Forum is asked to agree the recommendations in section 2.