

29 November 2017

SCHOOLS BUDGET 2018-19 UPDATE

Report of the Operations Director, Education

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1. Purpose

1.1 To update the Forum regarding the 2018-19 Schools Budget.

2. Summary

2.1 This paper provides an update on the Schools Budget proposals for 2018-19.

3. Recommendations

3.1 The Forum is asked to support:

- (i) the budget proposals for the schools block, subject to the separate decision on how to distribute the unallocated headroom;
- (ii) the budget proposals for the central school services block;
- (iii) the budget movements (i.e. changes in responsibilities, pressures and savings) for the high needs block;
- (iv) a commitment that the school family workers budget should be the first priority for the use of DSG carry forward in future budgeting;
- (v) the disapplication request to the DfE to use high needs revenue funding for capital as outlined in annex C.

3.2 The Forum is asked to note that the detail of the 2018-19 Early Years budget and a further update on the high needs budget are expected to be considered at the January and February Forum meetings.

4. Background

4.1 At its September meeting, the Forum considered information about the 2018-19 Schools Budget and supported several principles to adopt in preparing the 2018-19 budget. These principles are:

- (b) The use of £6.5m of the DSG carry forward to support the schools and central services block budgets in 2018-19.
- (c) The budgeted spend for early years and high needs to be set at the level of the relevant DSG blocks.
- (d) The budgeted spend for schools and central services to be set at the level of the relevant DSG blocks plus an allocation of carry forward as follows:

Schools Block - estimated use of carry forward:

To support budget shares, (equivalent to the value of the MFG exception for the use of carry forward):	£3.1m
To fund the prior year adjustment for new free school:	£0.4m
To fund the Falling Rolls Fund:	£2.0m
Total use of carry forward for Schools Block	£5.5m

Central Services Block – use of carry forward

- to fund the historical commitment budgets previously agreed by the Schools Forum (school family workers, lead adviser to the virtual school, education of children in residential care): £1.0m

Total use of carry forward £6.5m

For primary and secondary budget shares, the Forum supported:

- guaranteeing an increase of 0.5% in the unit funding rates of all primary and secondary pupil led factors (i.e. AWPU plus additional needs factors) as compared with the 2017-18 budget shares (including the element funded by carry forward);
- considering further at the November meeting how the remaining balance of headroom in the schools block should be allocated.

- 4.2 Key information about the 2018-19 Schools Budget, such as the October 2017 school census data, and the final Dedicated Schools Grant announcements, are not yet available. However, there have been a number of developments and these are outlined below.

5. Developments since September paper

5.1 National Funding Formula (NFF) and updated DSG estimate

The NFF was announced just before the last Forum, although full details of the calculation were only made available in early October. As mentioned verbally at the September Forum, the NFF announcement will provide increases for Hertfordshire in the schools and high needs DSG blocks. The estimated pupil numbers used in the DfE projections have also been revised to take account of partial returns from the October 2017 census.

The updated DSG estimate is as follows:

Schools Block	£m
Primary 100,098 FTE pupils @£3867 per pupil	387.079
Secondary 66,294 FTE pupils @ £5076 per pupil	336.508
Allocation for growth, premises and mobility	17.191
Total schools block	740.778

Central School Services Block	5.760
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Early Years Block (3 and 4 Year olds)	
Universal entitlement 18,742 PTE pupils @ £3067 per pupil	57.475
Additional hours 5,984 PTE pupils @ £3067 per pupil	18.350
Nursery schools supplementary funding	1.795
2 year olds 2200 PTE pupils @ £3198 per pupil	7.035
EY Pupil Premium	0.598

EY Disability Access Fund	0.228
Total early years block	85.480
High Needs Block	107.505
Total	939.523

Schools block

Compared to the September paper there is a net increase of £6.1m, comprising an additional £7.5m as a result of the NFF announcement, offset by a £1.4m reduction due to slightly lower pupil estimates.

High Needs block

Compared to the September paper this has increased by £3.5m as a result of the NFF announcements.

There is a minor change to the estimated DSG for central services while the estimated early years block is unchanged from the September paper.

5.2 Carry forward of DSG

The quarter 2 monitor for 2017-18 indicates a projected overspend of £0.8m. This compares to the £0.6m underspend projected at quarter 1. Thus the updated estimate of the amount of carry forward available for 2018-19 is £1.4m less than previously forecast:

Estimated carry forward available for 2018-19	£m
Remaining balance of carry forward from 2016-17	11.949
2017-18 budget variance identified so far:	
- Overspend from Quarter 2 monitor £0.778m	(0.778)
Additional 2017-18 DSG carry forward to 2018-19	0.031
Total	11.202

5.3 Budget pressures, savings and headroom

Further work has been undertaken to refine the budget pressures and savings and the result of this work is incorporated in the budget figures detailed in Annex A. Annex B gives further information about each of the budget items listed.

The headroom is calculated as the resource available after taking account of budget pressures and savings. The main cost pressure in the budget is inflation (including the impact of the national living wage). However, the

Forum has previously indicated that it does not favour the automatic funding of inflation without further scrutiny of the business case. Therefore the inflation shown in the budget schedules in annexes A and B has been reversed out before calculating the headroom funding available.

The sections below summarise the budget position for each DSG block.

5.4 Schools block

This comprises the primary and secondary budget shares plus the Growth Fund and the Falling Rolls Fund. The resources available from the 2018-19 schools block DSG, plus £5.5m of carry forward, provide headroom of approximately £7.4m.

The Forum has previously supported increasing per pupil funding factors by 0.5% (to parallel the guaranteed increase of 0.5% in per pupil funding that the DfE has included as a funding floor in the NFF). After allowing for the £3.2m cost of the 0.5% increase in per pupil funding (based on estimated 2018-19 pupil numbers), approximately £4m is still available to allocate. The separate paper on proposed changes to the funding formula considers options for allocating this resource.

5.5 Central school services block

There are two elements to this block, historical commitments and ongoing responsibilities.

5.5.1 Historical commitments comprise the following budgets.

Historical Commitments	£000
School family workers	891
Lead advisor to the virtual school	78
Education for children in residential care	30
Total	999

The DfE expects that the historical commitment budgets will phase out over time and as a result they have been funded from the DSG carry forward. This creates uncertainty for the services affected. Officers have therefore considered whether there are other options for funding these services in order to put these budgets on a more permanent basis. It is proposed:

- 1) to transfer the budgets for the lead advisor for the virtual school and for education of children in residential care, to the County Council's budget. (This transfer would offset some of the costs transferring from social care to the Independent Placement budget, which are outlined below.)
- 2) to continue to review the budget for school family workers to see if other options for funding it can be identified. In the meantime it will continue to be funded from carry forward.

5.5.2 Ongoing responsibilities comprise the following budgets

Ongoing responsibilities	£000
Admissions and appeals	2,057
DFE arranged licences	894
Former ESG retained Duties	2,798
Boarding pathfinder	52
Servicing for Schools	40
Total	5,841

A NFF to fund ongoing central services responsibilities has also been introduced and this allocates less resource than Hertfordshire's current spend. It is therefore necessary to make savings on central budgets, in order to match spend to the DSG allocation. Two savings are listed in the Central Services column in annex A, with a further saving to be identified.

5.6 High Needs

The high needs sub group of the Forum has recently met and considered the high needs budget in more detail. The group has worked within the guideline that the high needs budget should equal the high needs DSG block.

The high needs column of the Schools Budget shown in annex A outlines the changes in responsibilities, budget pressures and savings supported by the sub group. Annex B provides more information about each item. The main points to note are as follows:

a) Pressures

Independent Placements – there is an increase in this budget pressure of £1.9m (from £0.4m in the September paper to £2.3m). This is due to the rising number of children in this provision and an increased contribution to social care from DSG for the cost of children with EHCPs where education needs can be met from in county provision.

Colleges - there are new pressures in respect of high needs provision in colleges.

SEND Support Services – the funding previously agreed from the Strategy Development Fund is now to be incorporated in the support services budget and is therefore shown as a pressure.

b) Headroom

There is headroom of £1.8m which will be added to the Strategy Development Fund

c) SEN Strategy Development Fund

This provides a resource within the high needs budget to support new initiatives in high needs, in particular, implementing recommendations from

the work streams of the SEN strategy review. It has also provided a reserve for the entire Schools Budget, especially given the large scale use of carry forward. Thus if the Strategy Development Fund underspends this generates a carry forward of DSG which can be used throughout the Schools Budget.

The Strategy Development Fund (SDF) for 2017-18 is £3.445m. The headroom of £1.767m in 2018-19 increases the funding available to £5.212m. Proposals for the use of the Fund are outlined in the table below.

HN Strategy Development Fund (SDF)	£'000
2017 -18 SDF	3,445
Headroom	1,767
2018-19 SDF	5,212

Proposals for use of 2018-19 SDF	£'000
Funding Review of Special School Top Ups (Complexity)	1,000
Contribution to capital for primary behaviour	750
Provision for further increase in independent placements	700
Cost Pressures at 2.05%	1,483
To be allocated	1,279
HN Strategy Development Fund	5,212

Cost Pressures

The costs of pay awards and inflation have been calculated for certain budget headings within high needs. In 2017-18 cost pressures were targeted and not allocated to all high needs budgets. It has been assumed in the calculation of the cost pressure figure identified in the use of Strategy Development Fund that this approach will continue for 2018-19, pending discussion at Schools Forum. If funded at the full estimated increase of 2.05% the cost pressures are £1.483m. If funded at 80% in special schools and colleges as last year, the cost is £1.256m. The additional cost of the national living wage has not been included at this point.

Annex C gives more information about the proposed use of the Strategy Development Fund.

5.7 Early Years

Major changes were made to early years funding in 2017-18 with the introduction of the Early Years National Funding Formula. Therefore only minor changes are expected in 2018-19. Unlike with the schools and high needs blocks, the DfE has not yet announced the funding rate for the early years DSG for 2018-19. (The early years DSG estimate above is based on the 2017-18 funding rate.)

In Hertfordshire, the Early Years workstream of the SEN strategy review has been looking at how to make the best use of SEN budgets within the early years block. It is anticipated that the group's conclusions will be reported to the Forum in February.

It is therefore intended to consider at the February Forum:

- the Early Years block budget for 2018-19 in more detail;
- the emerging implications for the future funding of maintained nursery schools, which result from the recent DfE announcement.

6. Impact on schools

6.1 The level of headroom varies between the blocks but overall is insufficient to meet the expected cost pressures in 2018-19. In the schools block, the headroom is approximately 1%, compared to inflation of around 2%, resulting in a 1% real terms reduction in funding. However, the degree to which individual schools will receive funding for inflation will depend on how the headroom is allocated.

6.2 A further pressure on school budgets results from the discontinuation of the general element of the Education Services Grant (ESG) from September 2017. Academies will no longer receive this grant in 2018-19 (unless it is included in their protection arrangements) and maintained schools are being asked for a contribution towards the services which the County Council previously funded from ESG. The contribution requested is increasing in 2018-19 to take account of the full year effect of the withdrawal of ESG.

6. Deployment of DSG Carry Forward/ Future Years Outlook

6.1 As agreed at the September Forum, no carry forward will be used to support the early years or high needs blocks.

6.2 It was agreed to continue to use carry forward to fund the historical commitments budgets within the central services block. Therefore the school family workers budget of £891k will be funded from carry forward. (The other historical commitments budgets would transfer to the County Council's budget.)

6.3 DSG carry forward will also be used in 2018-19 to support the schools block. As agreed in September, this will comprise the element of carry forward used in budget shares which is covered by MFG exceptions (including prior year adjustments) and also the Falling Rolls Fund, totalling approximately £5.5m.

6.4 Thus overall £6.4m of carry forward would be used leaving an estimated remaining balance of £4.8m.

6.5 Given that a DSG balance of £3m to £4m is necessary as a provision for emergencies, there will be little carry forward available in 2019-20, unless there is a substantial underspend during 2018-19. It is proposed to prioritise school family workers in the future use of carry forward.

7. Risks/ Uncertainties

7.1 There are a considerable number of uncertainties about the 2018-19 budget at this point, in particular:

- The final DSG announcements for 2018-19.
- The DfE response to the MFG exceptions and pupil number variations being requested;
- The pupil data from the October (schools) and January (early years) censuses.

7.2 The amount of unallocated headroom is the balance of resource available and therefore may change significantly from the estimate shown in this paper.

7. Conclusion

7.1 Annex A outlines the latest position regarding the 2018-19 Schools Budget showing the split between the schools, central services, early years and high needs blocks.

7.2 The proposed final schools block budget and unit funding values for primary and secondary budget shares for 2018-19 will be brought to the January Forum meeting, prior to submission to the DfE. Over Christmas, the Schools Budget will be updated to take account of the DfE announcements in mid-December, including the October census data and the December DSG funding announcements.

7.3 In preparation for this, the Forum is asked to agree the recommendations in section 3 of this paper, and is also asked to agree the level of central budgets, which is covered by a separate paper on this agenda.

Schools Budget 2018-19

Annex A

	Schools £000	Central Services £000	Early Years £000	High Needs Block £000	Total £000
Schools Budget 2017-18 (as at section 251)	727,546	6,840	79,742	104,161	918,289
Changes in Responsibilities					
Full year effect of additional hours for working parents			7,646		7,646
Funding for pupils in special units	659			(659)	0
Funding for post 16 social care costs				(146)	(146)
Lead adviser to the virtual school		(78)			(78)
Education of children in residential care		(30)			(30)
Pressures					
Inflation on pay and prices	14,971	120	1,553	2,114	18,758
National Living Wage	1,198		131	171	1,500
Demography	7,205		(1,873)		5,332
Additional special school places 2018-19				327	327
Additional top ups in special schools				193	193
Full year effect of 2017-18 increase in special school places				283	283
Additional college high needs places 2018-19				96	96
Top ups for high needs provision in colleges				115	115
Full year effect of 2017-18 increase in high needs college places				22	22
Rates	1,042		13	20	1,075
Growth in existing free schools	1,300				1,300
New free school opening in 2017-18	175				175
New free school opening in 2018-19	530				530
Minimum Funding Guarantee	400				400
Prior year adjustments	827				827
Licenses		25			25
Independent Placements				2,300	2,300
Provision of SEND support services				450	450
Full year effect (FYE) of top ups for high needs provision in colleges				174	174
FYE of increase for primary behaviour				255	255
FYE of increase for secondary behaviour				500	500
Savings					
Rates	(227)				(227)
Early Years Pupil Premium			(48)		(48)
Closing schools	(143)				(143)
Split site	(200)				(200)
LAC funding in budget shares	(197)				(197)
Dual use sports hall	(53)				(53)
Closure of Barnwell VI unit				(50)	(50)
Capital expenditure on increasing capacity in special schools				(2,200)	(2,200)
PNI designated schools				(103)	(103)
Boarding Pathfinder		(40)			1(40)

Schools Forum budget		(10)			(10)
Saving to be identified		(56)			(56)
Schools Budget 2018-19 before reversing out Inflation and National Living Wage	755,033	6,771	87,164	108,023	956,991
Reversal of Inflation and National Living Wage	(16,169)	(120)	(1,684)	(2,285)	(20,258)
Schools Budget 2018-19 after reversing out Inflation and National Living Wage	738,864	6,651	85,480	105,738	936,733
Headroom					
0.5% increase in per pupil funding factors	3,180				3,180
Balance to be allocated	4,234			1,767	6,001
Schools Budget 2018-19 including headroom	746,278	6,651	85,480	107,505	945,914
Estimated 2018-19 DSG	740,778	5,760	85,480	107,505	939,523
Use of carry forward	5,500	891			6,391
Total DSG Available	746,278	6,651	85,480	107,505	945,914
Difference	0	0	0	0	0

Changes in responsibilities

B.1 Additional Hours for 3 and 4 year olds

From September 2017 working parents are entitled to up to 30 hours per week of 3 and 4 year olds provision. This is an increase from the current universal entitlement of 15 hours per week. This cost shown is the full year effect of funding this entitlement, relating to the Summer Term.

Extra funding will be added to the Authority's DSG to reflect the full year effect of the cost of extending this provision.

B.2 Funding for pupils in special units

The DfE is changing the arrangements for funding special units. In 2018-19. Pupils occupying special unit places will attract AWPU and other pupil led funding through the schools block budget shares. Correspondingly, high needs funding for occupied special unit places will reduce from £10k to £6k per place. As a consequence there is a transfer of cost from the high needs to the schools block budget which will be matched by a transfer of resource from the high needs to the schools DSG block.

B.3 Funding for post 16 social care costs

Funding for young people (16-19) care, costs to be transferred to social care.

B.4 Lead Adviser to the Virtual School

It is proposed to transfer this budget to the County Council budget.

B.5 Education of Children in Residential Care

It is proposed to transfer this budget to the County Council budget.

Budget Pressures

B.6 Inflation on Pay and Prices

This reflects the impact of the following:

- estimated 2% increase in teachers' pay;
- estimated 1.7% increase in local government pay;
- non pay inflation of 2% but with specific inflation increases for utilities.

B.7 National Living Wage (NLW)

The pay award for 2018-19 has not been set. An illustrative figure is shown for the impact of the national living wage.

B.8 Demography

This constitutes the impact of increases in pupil numbers (excluding growth in free school numbers) on AWPU and other pupil led funding in the schools and

early years budget shares. The pupil numbers used in the calculation will be updated when the autumn term 2017 census data is available.

- B.9 Additional special school places**
This allows for an additional 56 places making a total of 2,302 funded places in special schools from September 2018.
- B.10 Additional top ups in special schools**
An increase in funding in the top-up budget for additional placements, above the funded number.
- B.11 Full year effect of 2017/18 increase in special school places**
The full year effect of the increases in special school places, made in September 2017.
- B.12 Additional high needs college places**
This provides for an additional net 24 places from August 2018.
- B.13 Top ups for high needs provision in colleges**
An increase in the top up budget for current budget pressures as a result of increased complexity of need.
- B.14 Full year effect of increase in high needs places in colleges**
This is the full year effect of the increase in place numbers from September 2017.
- B.15 Rates**
Increases in rates costs from inflation and revaluations
- B.16 Growth in existing free schools**
The DSG will not take account of the additional cohort starting in free schools in September 2018. The Authority will, however, have to fund this cohort and this constitutes a budget pressure. The amount includes the additional cohort at the free school which has opened during 2017-18.
- B.17 New free school opening in 2017-18**
One new free school has opened in September 2017. This pressure constitutes the lump sum allocation for this school.
- B.18 New free school opening in 2018-19**
This pressure comprises the estimated part year budget share of the free school scheduled to open in 2018-19.
- B.19 Minimum Funding Guarantee (MFG)**
There is estimated to be an increase of £0.4m in the amount of MFG protection, mainly due to MFG protection recouped from the Authority in respect of Samuel Ryder academy.

B.20 Licenses

It is anticipated that there will be a small increase in the cost of licenses for schools charged by the DfE.

B.21 Prior Year adjustments

There are two elements to this pressure:

- reversing out the one off retrospective clawbacks made in 2017-18 for over estimates of pupil numbers at recently opened free schools: £387k;
- providing for the 2017-18 funding of the new free school which has opened in September 2017. This will be recouped retrospectively by the DfE in 2018-19: £440k.

B.22 Independent Placements

There are several components to this pressure:

- an increase in education placements: £960k;
- an increase in the contribution to social care from DSG - this relates to placements of children with EHCPs whose needs could be met from in-county provision were it not for the social placement requirements. The number of these placements has increased to 70 whereas the contribution to social care has been calculated on a historic figure of 20 placements. The estimated average top up has also increased from £10k to £12k giving a total increase of £640k;
- an increase in the contribution to social care so that it includes the place funding of £10k (as well as top up funding) for the 70 placements: £700k.

B.23 SEND Support Services

This funding was agreed in 2017-18 from the Strategy Development Fund and is now to be incorporated in the support services budget.

B.24 Full year effect of top ups for high needs provision in colleges

The full year effect of last year's budget pressure relating to an increase in the number and complexity of high needs students in colleges and independent specialist providers.

B.25 Full year effect of increase for primary behaviour

The full year effect of the additional resource for primary behaviour which was provided for in the 2017-18 budget. This resource will only be committed when agreements are in place, whereby local areas assume the responsibility for providing behaviour support and alternative provision.

B.26 Full year effect of increase for secondary behaviour

The full year effect of the additional resource for primary behaviour which was provided for in the 2017-18 budget. This resource will only be committed when agreements are in place, whereby local areas assume the responsibility for providing behaviour support and alternative provision.

8. Savings

B.27 Rates

There is a saving in rates funding in budget shares due to the conversion of schools from community to academy status.

B.28 Early Years Pupil Premium

This saving reflects the slight reduction in the number of children eligible for the early years' pupil premium.

B.29 Closing schools

The Da Vinci schools in Stevenage and Letchworth closed in August 2017. The saving comprises the lump sum element of their budget shares for the period April to August.

B.30 Split Site

Hertswood has moved to one site and thus there is a saving on its split site allocation

B.31 Looked after children (LAC) funding in budget shares

It is proposed to reduce the LAC funding in budget shares by £400 per eligible pupil to reflect the increase in Pupil Premium funding for looked after children in 2018-19. The DfE has switched resource for LAC from DSG to the Pupil Premium.

B.32 Dual Use

As part of its site moves, Hertswood has ceased to operate its dual use sports hall.

B.33 Closure of Barnwell VI unit

This unit has closed in August 2017. The saving shown is net of transitional funding for remaining pupils.

B.34 Capital expenditure on increasing capacity in special schools

The DfE has announced a new capital grant for high needs, to run for three years from 2018-19. Hertfordshire's allocation is approximately £2m per year. It is therefore intended to take the current revenue budget supporting high needs capital as a saving.

B.35 PNI designated schools

The separate funding allocation paid to PNI designated schools has been discontinued from September 2017.

B.36 Boarding Pathfinder

Currently free places have been negotiated and this budget is only required to provide additional support costs. It is therefore underspending and it is proposed to take a saving.

B.37 Schools Forum

The element of this budget relating to travel costs is underspending and it is proposed to take a saving.

B.38 Saving to be identified

It is necessary to make a further saving in the central services block.

HIGH NEEDS BLOCK

Annex C

The budget proposals for the high needs block have been incorporated in the main report of this School Budget Update for 2018-19 which sets out the pressures and savings.

Annex C describes the following in more detail

1. The proposed use of the strategy development fund including the proposal to transfer revenue funding to support primary behaviour capital projects and approve the disapplication request for funding capital from revenue.
2. The allocation of funding for secondary behaviour.

1. Strategy Development Fund (SDF)

The purpose of the SDF is to provide for new initiatives and priorities arising from the SEND Strategy. It also provides a reserve for the School Budget as a whole. Set out below are 4 initial recommendations for the use of the SDF in 2018-19. Currently this leaves a balance of £1,279m to be allocated. Consideration will be given during the year as outcomes of the workstreams are finalised and any high needs pressures are identified. Indications at present are that calls on the balance may include areas such as ENF, Early Years and Speech, Language and Communication.

Proposals for use of 2018-19 SDF	£'000
Special School Top Ups (Complexity)	1,000
Contribution to capital for Primary Behaviour	750
Provision for further increase in independent placements	700
Cost Pressures at 2.05% (£1,256 if fund at 80% of total pressures)	1.483
To be allocated	1,279
HN Strategy Development Fund	5,212

Special School Top ups – Complexity

At the February 2017 meeting of the Forum it was agreed to set aside £750k towards the cost of increases in top up rates as a result of the review of the special school bandings for increases in complexity. It is now proposed that this funding is increased by £250k to £1m to reflect the continuing increase in complexity in the higher banding profiles. The details of the revised banding profiles will be taken to the Special School Task Group in January and any recommendations referred to the February Forum for approval. It is proposed any changes will be introduced from April 2018.

Contribution to Capital for Primary Behaviour

At the December 2016 meeting of the Forum it agreed to support a new funding model for commissioning primary behaviour across the DSPL areas. The DSPL Areas have been reviewing their local services and moving away from the Primary Support Base (PSB) model in mainstream schools as this does not fit with what is required to meet needs. Also a number of governing bodies in schools where there are PSBs have indicated that they no longer wish to host a PSB.

In line with the tiered model of service delivery in the Behaviour Strategy DSPL areas have been developing new ways for services to be provided. This includes the

need for a short stay provision at Tier 4 for pupils with the highest needs. In a number of areas that have developed their plans the preferred model is for this to be sited and managed by the ESC. This will require capital development for new accommodation suitable for a small number of primary pupils.

It is proposed that a revenue contribution to fund three of these capital projects is made in 2018-19 at a cost of £250k each. This includes new accommodation on the site of the Links Alternative Provision Academy and Dacorum ESC, and one further project to be confirmed. It will be necessary to get approval from the DfE to use revenue for capital expenditure and therefore the Forum is asked to endorse this proposal and to support the recommendation in the main report regarding the disapplication request to the DfE to use £750k of high needs funding for capital in 2018-19.

Independent placements

The number of independent placements has risen significantly in 2017-18 and as a consequence the budget for 2018-19 has been increased to reflect this and an increase in the contribution towards the cost of social care for children with EHCPs where their needs can be met from in-county provision.

It is projected that if placements continue to rise at the same level in 2018-19 an additional £1.4m would be needed to fund this level of placements. It is proposed therefore to set aside 50% (£700k) of this cost in the SDF towards this pressure.

Cost pressures

Targeted cost pressures of £1.483m have been identified for 2018-19 and set aside in the SDF. The level of funding and the targeted areas will be discussed by the High Needs Sub group in January and brought to the Forum for endorsement at the February Forum.

2. Secondary Behaviour

The December 2017 Forum agreed an increase in funding of £1.2m for secondary behaviour to develop a new commissioning framework that could be applied across all DSPL areas. The new funding model incorporates the figures given below based on DSPL model indicators

Secondary Behaviour Allocations

DSPL	MI	MI Allocation	Place Nos	Place funding	MI allocation	Total Allocation	2017-18 Budget	Variance	Combined Areas	
1	9.9%	1,037,261	33	330,000	707,604	1,037,604	1,058,961	21,357	298,960	1&2
2	10.7%	1,122,328	36	360,000	765,636	1,125,636	805,320	320,316		
3	11.5%	1,207,027	38	380,000	823,416	1,203,416	1,881,271	-	263,322	3&4
4	8.9%	939,886	30	300,000	641,176	941,176		677,854		
5	9.7%	1,023,215	32	320,000	698,023	1,018,023	1,469,825	-	173,288	5&6
6	5.9%	623,130	20	200,000	425,090	625,090		451,802		
7	12.1%	1,266,859	40	400,000	864,233	1,264,233	1,262,265	1,968	1,968	7
8	13.1%	1,379,808	44	440,000	941,285	1,381,285	1,365,078	16,207	16,207	8
9	18.2%	1,909,758	61	610,000	1,302,809	1,912,809	1,466,553	446,256	446,256	9
	100.0%	10,509,272	334	3,340,000	7,169,272	10,509,272	9,309,272	1,200,000	1,200,000	

The figures include an overall increase of approximately 12.5% to ensure that no area is disadvantaged as a result of the reallocation. The Forum is asked to endorse this proposal.