

Wiltshire Council

Schools Funding Working Group 20th October 2014

Budget Update 2015-16 – High Needs Block

Purpose of report

1. To present an analysis of expenditure on budgets within the High Needs Block of the overall schools budget for 2014-15 including projected spend for the current year.
2. To consider options for savings in 2015-16.

Main considerations for School Forum

Analysis of High Needs Block

3. The High Needs Block covers expenditure on provision for pupils and students with high needs from ages 5 to 25 and support services for pupils covering early years provision to FE college provision. The responsibility to fund provision for students in FE colleges and Independent Specialist Providers (ISPs) up to the age of 25 years was transferred in to DSG for 2013-14 to support this, based on previous learner numbers. The high needs block also covers the cost of alternative provision and hospital education services.
4. The final allocation of high needs funding to Wiltshire in 2014-15 is £37.111 million, expenditure (including central support service recharges) has been calculated at £38.325 million. This is analysed as follows:

HIGH NEEDS BUDGET	£	
Top-up funding – Independent Special Schools	3,327,194	9%
Top-up funding – Named Pupil Allowances	1,226,400	3%
Top-up funding – Wiltshire Special Schools	7,485,900	20%
Top-up funding – Wiltshire Schools Resource Bases	1,128,600	3%
Top-up funding – Wiltshire Schools ELP	920,300	2%
Top-up funding – Non-Wiltshire Schools	546,300	1%
Top-up funding – Post 16	4,872,000	13%
SEN support services	3,342,939	9%
Hospital education services	603,500	2%
Other alternative provision services	3,000,755	8%
Place Funding Special Schools, RBs and ELP	11,870,800	31%
Total High Needs Expenditure (incl Central Support Recharges)	38,324,688	100%

Current expenditure forecast 2014-15

5. An analysis of projected expenditure against top up budgets for high needs pupils in 2014-15 is attached to the budget monitoring report elsewhere on the agenda for this meeting. It is currently projected that top up budgets will overspend by £3.1 million in this financial year and the key reasons for that overspend are detailed in the budget monitoring report.

6. An overspend at this level will require significant utilisation of the DSG reserve at the end of 2014-15 leaving little flexibility for the use of reserves in future years. The recurrent level of spend will also need to be addressed in order to prevent further overspends in 2015-16.

Cost Pressures 2015-16

7. Based on the spend in the current year and projected pupil numbers for next year it is estimated that there will be cost pressures amounting to £3.5m against the high needs block for 2015-16. These are summarised in Appendix 1.

Place numbers 2015-16

8. One of the key pressures impacting on high needs spend is the number of additional places required within post-16 provision, particularly at Wiltshire College. This is due, in part, to improved identification of high needs students within the college.
9. In the guidance for 2015-16 the Education Funding Agency (EFA) has stated that there will be some additional funding for high needs in 2015-16 and that the first call on this will be the requirement for additional places. It is the EFA's intention that place numbers for next year will be based on current numbers however local authorities have been given the opportunity to submit exceptional requests for increases in numbers of places from September 2015. Wiltshire has made a submission for additional places as follows:

Provider	Additional Places
Wiltshire College	156
Greentrees Primary – opening of new Resource Base in September 2015	14
Exeter House, Larkrise and St Nicholas Special Schools – to meet current and projected demand	3 places each
Kings Park Primary School Resource Base – to meet demand	2
Springfields Academy – to develop KS2 provision to meet demand	19

10. Local Authorities will be notified of the outcome of any exceptional requests in December 2014.
11. If funding is allocated for these additional places this will ease the pressure on top up budgets for 2015-16 in two ways. Firstly by meeting the demand for places at Wiltshire College and secondly by increasing capacity within Wiltshire schools to meet demand and prevent more expensive placements. For all of the above requests places are already committed to except those at Springfields Academy. For budget planning purposes it is assumed that if the additional places at Springfields are not agreed by the EFA they will not be commissioned.

12. The potential impact of additional place funding if it is received is reflected in Appendix 1.

Commitments from 2014-15

13. Schools Forum agreed to fund two items of expenditure within the High Needs block from reserves these were
 - a. Support for Hard to Place pupils (£0.4m allocated in total with £0.150m from reserves)
 - b. Support for pupils transitioning to primary school (£0.2m)
14. If these items are to be funded on a recurring basis then this becomes a cost pressure for 2015-16. Both of these schemes are due to be reviewed before additional funding is confirmed for 2015-16 and reports will be brought to the January meeting to update on expenditure and outcomes.

Options for 2015-16

15. Even if additional place funding is received for 2015-16 the high needs block will continue to be under pressure. The analysis in Appendix 1 indicates that the pressure can be reduced to £1.840m if the additional places requested are funded and if the underspend against the ISS budget continues. Savings proposals will need to be considered for 2015-16. Options that could be considered include:
 - a. **Residential provision at Rowdeford school** – Schools Forum has previously considered a proposal to reduce residential provision at Rowdeford school to 16 places. Provision would be purchased through separate Service Level Agreement as a flexible residential provision as opposed to allocating residential statements to specific pupils. Since the June meeting further work has been carried out with the school to establish the costs of a 16 bed residential provision and it is estimated that savings of £115,000 can be achieved against the High Needs block. Schools Forum is asked to consider this proposal and agree a way forward at this meeting so that the school can plan for the reduction in income from 1st April 2015 if the proposal is agreed.
 - b. **Consider Options for Post-16 top Ups** – Expenditure on post-16 top ups and places exceeds the current budget by £2.6 million. Significantly more students are being supported than initially estimated and top up values are currently based on those paid to schools without taking in to account the different circumstances of FE Colleges and other post-16 provision, which might include economies of scale associated with larger establishments. An options paper should be brought to Schools Forum in January to consider the potential for reductions in expenditure
 - c. **NPAs** – it is proposed to move to a banding system for NPAs. Analysis needs to be carried out to understand the reasons for the current overspend in order to prevent spend continuing to increase above budget. A banding system, similar to that used for ELP, will be modelled to establish the likely impact on costs and potential for savings.

- d. **Hard to Place Pupils** - £0.4m was allocated to support secondary schools in placing pupils who come in to the county with additional needs. £0.250m was funded from savings against the schools block growth fund and £0.150m from the DSG reserve. Expenditure this year has still to be reviewed but any underspend against this year's allocation will be rolled forward by the secondary federations for spend in 2015-16. This would leave the option for the allocation to be reduced in 2015-16. Potential saving £0.150m.
- e. **Transition in to Primary School** - £0.2m was allocated from the DSG reserve in 2014-15 to support pupils with additional needs entering Reception. Schools Forum requested that an evaluation of this pilot scheme should be considered prior to funding being allocated for 2015-16. To date £16,500 has been allocated from this budget in the current year and so if it is agreed that scheme should be continued it is likely that the allocation for 2015-16 can be reduced compared with the current year.
- f. **SEN Support Services** – the breakdown of the high needs block indicates that £3.4m is currently spent on SEN support services including the Early Intervention Team, Specialist SEN Service and Sensory Support Service. Options for savings could be considered against these services
- g. **Utilise additional schools block funding** – the additional funding for the schools block is not ringfenced although the DfE has made it clear that the intention of the funding is to reduce funding differences within the schools block. Schools Forum could opt to allocate part of this funding to support the high needs block.

Proposals

- 16. That Schools Funding working Group note the current pressures against the high needs block.
- 17. That Schools Forum agree the proposal to fund a 16 bed flexible residential provision at Rowdeford School from April 2015 in place of the current 23 bed allocation.
- 18. That Schools Forum agree which savings options should be considered in more detail for the January meeting.

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