

## **HIGH NEEDS BUDGETS 2015-16**

### **Purpose of the Report**

1. To present a summary of the key pressures on the high needs budget for 2015-16 and short term proposals for minimising the impact on the budget.
2. To provide a brief update on the progress of the SEN Strategy which aims to identify medium and longer term proposals to address the over-spend in the HNB.

### **Background**

3. Dedicated Schools Grant in (DSG) is allocated in 3 main expenditure blocks:
  - Schools Block
  - High Needs Block
  - Early Years Block
4. These expenditure blocks are not ringfenced and funding can be moved between blocks according to Schools Forum's priorities. The allocation of the high needs block is based on agreed planned place numbers and historical spend rather than on specific school census data. For 2015-16 an exceptional places process was put in place by the Education Funding Agency (EFA) to enable local authorities to apply for additional place funding where demand could be demonstrated.
5. 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 is a new responsibility for local authorities and funding 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.
6. The provisional allocation of high needs funding to Wiltshire in 2015-16 is £37.665 million. The high needs block is made up of:

	<b>£m</b>
Final High Needs Block 2014-15	37.120
5/12ths of growth/deduction in pre-16 high needs places agreed for 2014-15 academic year	0.036
4/12ths of growth/deduction in post-16 high needs places agreed for 2014-15 academic year	0.002
Changes in funding for schools arising from the high needs exceptions process (covering the first two terms of that increase)	0.088
Increases in hospital funding resulting from high needs exceptions process	0.000
Share of national £47m top-up based on proportion of 2-19 population	0.420

	<b>37.665</b>

7. The table indicates that Wiltshire has benefitted from the exceptional places process and that there is a level of general growth built in to the high needs block for 2015-16 with a national distribution of an additional £47m. Wiltshire's share of this growth is £0.420m.
8. The block will be finalised before the start of the financial year to reflect adjustments for both pre and post 16 places which are funded outside of DSG, for example, places funded in academies or those funded through the national sixth form grant to local authorities.
9. The majority of expenditure within the high needs block is related to place funding in Wiltshire schools (special schools, resource bases and ELP) and associated top up values. Places and top-up values for pre-16 pupils in schools amounts to £24m with a further £5m budgeted for top-up payments in post school providers.
10. SEN Support Services funded from the high needs block include the Specialist SEN Service and the Sensory Support Service, central equipment budgets, etc. There are also support services provided directly to children in Early Years settings.
11. Expenditure on alternative provision includes funding devolved to secondary schools for the commissioning of alternative provision for pupils at risk of exclusion and expenditure on provision for primary age pupils who may have been excluded or are at risk of exclusion.

## **Main Considerations**

### ***Budget Monitoring 2014-15***

12. The budget monitoring report presented to Schools Forum in January 2015 included a projected overspend of £2.9m against high needs top up budgets. Further work has been carried out to identify potential cost reductions within the current financial year and the revised projection for high needs budget is an overspend of £2.0m, an improvement of £0.9m against the previous forecast. This has arisen for three main reasons, a small net decrease in pupil numbers across pre-16 budgets, clarification of other agency contributions to post-16 (ISP) places and a review of expenditure within SEN support services. Further detail is provided in the budget monitoring report elsewhere on this agenda.
13. The projected overspend on top-up payments for 2014-15 is £2.2m which is split between pre-16 and post-16 top up payments as follows:

Service Areas	Current Budget 2014-15 £m	Projected Outturn for Year £m	Variation for Year £m
<b>0-25 SEND Service</b>			
<b>Pre-16</b>			
Independent Special Schools	3.378	2.602	-0.776
Named Pupil Allowances	1.226	1.961	0.735
Top Up Budgets - Wiltshire Maintained Schools & Academies	9.535	10.047	0.513
Top Up Budgets - Non-Wiltshire Maintained Schools & Academies	0.546	1.209	0.663
			<b>1.135</b>
<b>Post-16</b>			
Top Up Budgets - Post- 16 Placements	4.872	6.003	1.131
			<b>1.131</b>

14. Activity against the post-16 budget is higher than budgeted, this has previously been reported to Schools Forum. This increase in activity formed the basis of an exceptional request being submitted to the EFA for additional place funding for Wiltshire College in 2015-16.

15. Activity against the Named Pupil Allowance (NPA) budget is significantly higher than budgeted for. Overspends against the Enhanced Learning Provision (ELP) and Resource Base budgets are offset by an underspend against the Independent Special School budget as planned.

16. The increased activity against top up budgets will have an impact on expenditure in 2015-16.

### **Impact on 2015-16 Expenditure**

#### Exceptional Places Process

17. The EFA invited local authorities and independent providers to submit applications for increased place numbers in exceptional circumstances. Wiltshire submitted a request for an additional 200 places and an allocation of 117 additional places for the 2015-16 academic year was agreed as follows:

Establishment Name	Current Place Numbers	Exception Request	Total Places Requested	Total Allocated Places	Extra Allocation Awarded
EXETER HOUSE SPECIAL SCH	107	3	110	107	0
GREENTREES PRIMARY SCH	0	14	14	14	14
KINGS PARK PRIMARY ACAD	18	2	20	19	1
LARKRISE SCHOOL	86	3	89	86	0
SPRINGFIELDS ACADEMY	90	19	109	90	0
ST NICHOLAS SCHOOL	75	3	78	75	0
WILTSHIRE COLLEGE	94	156	250	196	102
<b>TOTAL</b>	<b>470</b>	<b>200</b>	<b>670</b>	<b>587</b>	<b>117</b>

18. Feedback from the EFA indicates that exceptions were only funded where current occupancy of additional places could be demonstrated or where new

provision had already been agreed and consulted on (eg Greentrees Primary School). Local authorities can therefore only be funded for places already occupied and not for anticipated demand. A copy of the feedback provided to Wiltshire is attached at Appendix 1 to this report.

19. An analysis of the national position indicates that only 22% of additional places requested across the country were agreed. In the South West, applications were submitted for 721 additional places but only 159 were agreed. Wiltshire received 117 of those, 59% of places requested.
20. Additional funding for the places at Greentrees Primary School and Kings Park (Rivermead) Academy has been added to the high needs block for Wiltshire to reflect the increase from September 2015. The funding for the additional places at Wiltshire College will be allocated directly to the College so whilst it does not increase the level of the high needs block it does reduce the pressure by increasing the numbers of places at the college which are directly funded.

#### Pre-16 Budgets 2015-16

21. Budgeted place funding for 2015-16 is £11.958m including the additional place funding added to the high needs block for Greentrees and Rivermead. Additional places will be required in a number of schools due to additional demand. Three additional places are being funded in each of the 3 SLD Special Schools due to demand and there are a number of additional ELP and Resource Base places that will need to be funded across Wiltshire Schools. It is estimated that that the cost pressure associated with these additional places in 2015-16 will be £0.409m.
22. An analysis of top up payments for known pre-16 pupils in high needs places indicates that they can be managed within the overall budget of £13.4m with approximately £83,000 not committed at the start of the year. This would give a cost pressure across place values and top ups of £0.325m. This is based on known pupils and costs.
23. Further cost pressures would need to be added to this to reflect costs against the NPA budget and potential new starters in Independent Special Schools. Estimates of spend on NPAs and new starters in Independent Special Schools have been based on activity for 2014-15. The total cost pressures against the pre-16 places and top up budget can therefore be broken down as follows:

<b>Pre-16 Places &amp; Top Ups</b>	<b>£</b>
Budgeted Place Funding	11,870,800
Exceptional Place Funding agreed AY 2015-16	87,500
Total Budgeted Place Funding	11,958,300
<b>Additional Pre-16 Places expected to be funded 2015-16</b>	<b>409,166</b>
Budgeted Top Up Funding 2015-16	13,408,294
Projected Spend on top ups in high needs places 2015-16	13,325,063
<b>Available Funding for new top up payments in Special Schools, Resource Bases and ELP 2015-16</b>	<b>(83,231)</b>
<b>Cost Pressure on Pre-16 places and top ups 2015-16 - known placements</b>	<b>325,935</b>
Potential new ISS placements	334,000
Expected pressure against NPA budgets 2015-16	500,000
<b>Revised Pre-16 cost pressure</b>	<b>1,159,935</b>

### Post-16 Budgets 2015-16

24. For post-16 budgets we have looked at the commitments for the remainder of the 2014-15 academic year and therefore the funding available for the first two terms of the 2015-16 academic year. The analysis indicates a pressure of approximately £0.289m calculated as follows:

<b><u>Post-16 Allocation</u></b>	<b>£</b>
Total Post-16 allocation 2015-16	4,872,000
LESS	
Commitments ISP April-July 2015	1,122,066
LESS	
ISS Commitments est for full year	2,102,102
LESS	
FE College April to July	510,291
<b>Balance Available for August to March</b>	<b>1,137,541</b>
LESS	
Provision for Element 2 costs not funded August to March	16,000
LESS	
ISP commitments August to March	648,969

<b>Balance Available for new packages in AY 15-16 (15-16 Financial Year cost)</b>	<b>472,572</b>
Estimated Cost of FE Top Ups AY 15-16 within financial year 15-16	577,100
Estimated cost of new ISP starters AY 15-16	184,865
<b>Total Estimate for new starters</b>	<b>761,965</b>
<b>Estimated Shortfall 2015-16</b>	<b>289,393</b>

25. The cost of potential new ISP students has been based on 6 new starters at an average cost for August to March of £30,811. It is difficult to project the likely numbers of ISP packages to be made during the year as Panel discussions have yet to take place.

26. The estimated pressure for 2015-16 is significantly reduced from the current year because of the additional places allocated by the EFA to Wiltshire College and because of reductions in the numbers of students placed with independent providers.

#### Overall Cost Pressures for High Needs Block

27. The total cost pressure against high needs places and top ups is calculated as £1.449m.

28. Other pressures on the high needs block would include:

- Split site allowances – Recommended at £100,000 following discussion at the SEN Working Group
- Continuation of Transition in to Primary School funding (TIPS) which was funded on a one off basis in 2014-15. Spend in 2014-15 approximately £0.050m
- Hard to place pupils – £0.400m was allocated for 2014-15 to support secondary schools in making provision for hard to place pupils coming in to Wiltshire. Funding is allocated through the In Year Fair Access Panels. £0.250m is held within the base budget for this the remainder of the funding was taken from the DSG reserve in 2014-15. The cost pressure to make the budget back up to £0.400m would be £0.150m. A review of the expenditure in 2014-15 is included as appendix 2 to this report
- Pressure on alternative provision costs for primary aged pupils at risk of permanent exclusion. Estimated at £80,000 based on 10 places at £8,000
- Additional places at Springfields Academy – not funded in exceptions process, development of further KS2 provision to support pupils at risk of exclusion and reduce potential for out of county placements - £0.150m for a full year, £0.088m in 2015-16 with new places from September 2015.

29. Total cost pressures against the high needs block in 2015-16 therefore total approximately £1.9 million.

#### **Savings Options 2015-16**

30. The pressures can first of all be reduced by allocating the growth in the high needs block to the top up budgets. This reduces the pressure by £0.420m leaving pressures of £1.497m to be managed within 2015-16.

31. The SEND Strategy is currently under development and this will take in to account the cost and effectiveness of current provision and look at further options to improve outcomes and deliver services as effectively and efficiently as possible. Whilst this strategy is under development it is necessary to consider a number of shorter term savings to be implemented in 2015-16 in order to contain expenditure within budget whilst longer term savings plans are developed.
32. A number of savings options are outlined in Appendix 3 to this report. These savings options total £1.991m therefore enabling consideration of the risks.

### ***SEND Strategy***

33. A Review of SEN was last undertaken in 2010.
34. This strategy, due to be published end of March 2015, aims to ensure that we have the right educational provision, for the right children, in the right places, at the right time and that the right support is provided to schools to enable them to achieve the best possible outcomes for pupils with SEND. Emerging key themes, include;
- a. Workforce development and support for settings (early years through to FE).
  - b. Early identification and forward planning
  - c. Addressing the rising number of exclusions in Primary
  - d. Meeting emotional, social and mental health needs,
  - e. Progress and attainment
  - f. Rising NPAs – clarity about delegated funding
35. Once published, there will be a period of formal consultation.

### **Proposals**

36. Schools Forum is asked to note the current and projected position in relation to High Needs budgets.
37. Schools Forum is asked to agree the level of split site allowance funding for St Nicholas Special School.
38. Schools Forum is asked to agree savings proposals to ensure that expenditure can be maintained within budget in 2015-16.

CAROLYN GODFREY  
DIRECTOR, CHILDREN & EDUCATION

---

*Report Author: Liz Williams, Head of Finance (DCE)*

*Tel: 01225 713675 e-mail: [elizabeth.williams@wiltshire.gov.uk](mailto:elizabeth.williams@wiltshire.gov.uk)*