

Schools Forum			
REPORT TITLE	High Needs Sub Group - Annual Report		
KEY DECISION	Yes	Item No.	7
CLASS	Part 1	Date	6th December 2018

1. Purpose of the Report

- 1.1 The report considers the medium term financial strategy for the High Needs block and the changes to Alternative Provision.

2. Recommendation

- 2.1 The Schools Forum is asked to:

- Thank the members of the task group for their work during the year.
- With regards the membership of the working group,
 - Confirm the membership of the task group (check that all representatives wish to remain on the working group)
 - Ask the secondary representatives to appoint a new representative to fill vacancy.
 - Consider if additional primary representative would be beneficial for the group.
 - Note that in due course the Working group will need to cover Early Years support at which point it would be appropriate to reformat the group for that topic of discussion and include appropriate representation.
 - The next meeting of the working group to take place mid /late December
- Note the increase in demand for the SEND Service and the consequential financial pressures on the High Needs Block with effect from 2019/20 onwards.
- To task the Schools Forum High Needs sub group with:
 - Review the ongoing forecast and trend analysis work.

- Consider the overall funding pressure on the High Needs Block and develop proposals for consideration by Schools Forum
- Note the funding levels of Abbey Manor College and the new primary alternative provision.

3. Background – the task group

- 3.1 The Task Group was set up in 2013 by the Schools Forum to review the costs of funding high needs pupils. Specifically, the group was asked to make recommendations on how the costs could be reduced to meet the funding provided by central Government.

While maintaining the remit of ensuring the high needs block is financially balanced, the group was asked to undertake a review of the current way high needs pupils are banded and consequently funded and to draw up plans for implementing the new system.

4. Current Financial Position

- 4.1 The current financial forecasts indicate that the High Needs Block is forecast to be overspent by approximately £2m at the year-end (2018/19) before the application of funding from the Central Schools Block. The High Needs Block funds services on a demand-led statutory basis and for this reason this projection is based on our best information available. Any variations on demand will impact on the final outturn position.
- 4.2 There are costs of a one-off nature that are built into the above forecasts, in relation to transitional protection for special schools on the introduction of the new banding system and the need to re-shape the resource bases and pupil referral provision.
- 4.3 When calculating the sum required for next year's budget, growth in pupil numbers needs to be taken into account. Since the last SEN2 census in January 2018 EHCP's have increased from 2,017 to 2,252- an increase of 235 pupils. There is an element of inherent uncertainty with making predictions of growth. In order to do this sensitivity analysis is applied to understand the range of likely financial consequences. Forecasts are built up under the scenario thought most likely to occur and then both a worse case and best cases are considered.
- 4.4 Initial analysis undertaken has suggested that the demand and severity of need could potentially result in a funding pressure on the High Needs Block. Original figures suggested approximately £2m (2019/20), £5m (2020/21) and £7m (2021/22).

- 4.5 Officers are currently revisiting this data for consideration by the High Needs Working Group. It is proposed a meeting of the working group takes place in December, to enable Schools Forum to consider the financial settlement in totality at its budget setting meeting in January.
- 4.6 The main reason for the anticipated financial pressure is the overall growth in pupil numbers of which a proportion would result in a need for specialist support.
- 4.7 It is important for Schools Forum to note the following critical points:
- The DSG is now allocated using 4 separate National Funding Formula methods, effectively restricting flexibilities in targeting resources to need (spend).
 - The National Funding Formula for High Needs Block includes Transitional Protection of £5m. At the time of writing, we have no information from the DfE as to if and when the transitional funding is expected to fall out (and at what rate). We are mindful that lobbying work is currently being undertaken by local authorities (LAs) to highlight the lack of funding and the pressures on High Needs. The key concern is that being a LA, which is deemed as “floor” i.e. highly funded relative to other LAs, our ability to benefit from significant gains may be compromised.
 - Like any budget holder, LAs are not permitted to overspend, however in reality many LAs are overspending on their High Needs budget. The DfE has introduced new measures which now mean that overspends (above 1%) must require a deficit recovery plan to be submitted by the LA and its Schools Forum. Deficit of 1% on Lewisham’s DSG would be between £2.5m to £3m assuming the calculation is based on the total DSG value incorporating all the funding blocks.
 - Regulations permit the transfer of up to 0.5% (£1m in Lewisham’s case) from Schools Block to High Needs Block with the agreement of Schools Forum. Schools forum is asked that this option is considered by the working group for 2019/20 subject to further detailed review of the projected spend on the high needs block.
 - Schools Forum is further asked to task Lewisham Council/High Needs Working Group, to undertake a deep dive review of the High Needs spend/forecast position to ensure a plan to be devised to bring future delivery within funding available. This is expected to be a detailed and complex piece of work which will require various consultations, dependent on the outcomes proposed. It is likely the work will commence in 2018/19 and 2019/20 but be implemented in 2020/21.

The following paragraphs provide further details on the financial position in other London councils, which the Schools Forum is asked to note.

5. The financial position across London

5.1 London Councils recently undertook a survey of the high needs budget across the London. There findings were:

5.2.1 In relation to the funding in the DSG for high needs

- In 2016/17, the amount spent on high needs was greater than the amount allocated through the high needs block of the Dedicated Schools Grant (DSG) in 23 out of 28 boroughs.
- The aggregate 'funding gap' across these 23 boroughs was £94 million – equivalent to 13.6 per cent of aggregate high needs allocations or £4.1 million per borough
- In those boroughs that spent less on high needs than allocated through the high needs block of DSG, this is likely to be due to transfers within DSG to meet pressure in other blocks

5.2.2 In relation to the budgets that a local authority set for high needs (The budget set does not necessarily have to equal the funding given)

- Comparing outturn figures against budgets for 2016/17, 17 boroughs overspent on high needs and 11 boroughs underspent in 2016/17. (albeit the underspend could potentially be masked by transfers from other funding streams /reserves).
- A higher proportion of inner London boroughs overspent on high needs budget – but the aggregate overspend was greater in outer London (7.7 per cent of budget compared to 6.1 per cent in inner London).

6. Mitigation of current high needs spend

6.1 The High Needs sub group has worked hard over the last four years to ensure that the High Needs Block has had appropriate oversight of the spend of the High Needs Block. In 2016 Schools Forum agreed that a review of banding should take place to put in place universal banding system for all Lewisham schools and resource base provisions. The review has included the development of a comprehensive guidance document and funding models to support the banding levels.

6.2 This review has been completed and all new funding has been put in place.

7. Alternative Provision

- 7.1 The LA currently commissions the Lambeth primary alternative provision provider, Parallel Learning Trust to provide primary alternative provision places for Lewisham children and make arrangements for transport to the provision.
- 7.2 Currently the LA commissions 10 places at £9,000 each for revolving door intervention placements with Parallel Learning, via LA referral.
- 7.3 Schools pay voluntarily towards the placement cost from the AWPU for the child referred to Parallel Learning, based on the length of the placement.

8. Primary Phase Alternative Provision Transition Plan 2018-19

- 8.1 This arrangement will be required until September 2019 when a permanent solution to Lewisham primary phase alternative provision is implemented.
- 8.2 The Lambeth alternative provision provider, Parallel Learning Trust has been identified as the provider which will expand its provision from Lambeth into Lewisham at a site that has been identified, to accommodate primary pupils.
- 8.3 This provider is identified with:
- High performing – Good or Outstanding school / provider
 - Good financial management and governance
 - Proven track record of improvement across a partnership
 - Evidence of being an inclusive school or provider
 - Track record of closing the gap for vulnerable children
 - Capacity to deliver the project in the timescale
- 8.4 The permanent primary phase alternative provision accommodating up to 25 places at £19,000 per place is under way.

9. New Woodlands

- 9.1 New Woodlands School continues to work through the transition plan for the second year. The school continues to operate as a special school for KS1-3 and as a PRU for KS1 and 2 only. Currently the primary phase is full due to the increase in referrals from schools for children who require an EHCNA.
- 9.2 The New Woodlands Advisory Board received a detailed Interim Review Report of the NW Outreach Service and is in the process of drafting a

detailed report with a range of options for the future of the Outreach Service which will be presented to Schools Forum in the spring term for approval.

10. Abbey Manor College

- 10.1 In February 2018 Schools Forum agreed to increase the Pupil Placement Top Up funding allocation for 2018-19 so that is in line with other LA PRUs and our statistical neighbours.
- 10.2 The increase for Abbey Manor College for 2018/19 brings the PRU in line with all London LA PRUs and our statistical neighbours:
- Core: £10,000 per pupil for 160 places
 - Top Up: £14,000 per pupil for 160 places
 - To fund the college on the fully funded basis during 2018/19.
- 10.3 This allocation is to be reviewed annually and will be reviewed at the (proposed) December SEND working group meeting with recommendations made to the January 2019 schools forum meeting.

11. Abbey Manor Assessment Hub – Pupil places

- 11.1 The LA has agreed to the implementation of an ‘assessment hub’ to ensure that children and young people referred to Abbey Manor College for a personalised learning programme of study following a rigorous holistic assessment, will reach their potential and future destination in a timely and well-managed way. This has been designed and implemented to work in partnership with other referral agencies within the borough e.g Access, Inclusion and Participation and the Fair Access Panel.
- 11.2 The ‘Assessment Hub’ will create a simple pathway for intervention placements or longer-term placements for children and young people who are at risk of exclusion and those who are hard to place in mainstream education.
- 11.3 It will also serve as a pathway for those who enter the borough in year and provide a more targeted assessment of need for those children and young people who have an EHC Plan and are at risk of placement breakdown.
- 11.4 The main function of the Assessment Hub will support the in year admissions and Fair Access Panel processes and will involve Headteachers, the Service Manager Access, Inclusion and Participation and the Executive Headteacher of Abbey Manor College, having equal ownership over accepting children into their school with complete transparency, through the Fair Access Panel.

- 11.5 The pre-placement Assessment Hub will support new students through information gathering, Literacy and Numeracy baseline assessments and readiness for school assessments and then each individual referral presented to the panel for the administration of the placement within a part of the college's extended provision or local school.
- 11.6 The Assessment Hub will ensure that schools will not be made vulnerable by an intake of children and young people whose needs have not yet been defined and whose school provision may not be able to meet their needs.
- 11.7 This would be supported directly with the re-integration team enabling schools to understand their intake, have support and resources to do so and as a direct consequence, create opportunities to avoid exclusion.
- 11.8 The Local authority has agreed to fund the assessment placements for 20 places on a revolving door basis at the core cost of £10,000 per place in 2018/19.

12. Work plan of the High Needs Sub Group

- 12.1 The purpose of the task group is to consider how the expenditure on high needs children can be contained within the proposed value of the High Needs Block and that best value can be achieved. It has the objective to agree an annual work plan based on the current needs and priorities of high needs funding block and to secure the support of the Schools Forum for its proposals.
- 12.2 The sub group has drawn up a list of the priorities for the coming year and seek the Forums' agreement to the following work
- a. To consider how the financial pressures of the high needs block should be addressed
 - b. To review the Local Authorities place planning numbers.

The current members of the task group are as follows

Marie Neave	Headteacher	Drumbeat
Lynne Haines	Headteacher	Greenvale
Jan Shapiro	Headteacher	Addey and Stanhope
Vacancy	Headteacher	Secondary

Kathryn Wong	Executive Headteacher	King Alfred Federation
Janaki Monk	Assistant Principal Inclusion	Haberdashers' Aske's Hatcham College
Heather Johnson	Headteacher	Abbey Manor College

- 12.3 The High Needs sub group meetings have not always been well attended and the Schools Forum is invited to confirm the membership and to appoint a further Secondary School representative.

13. Roles and Responsibilities

- 13.1 With the regard to financial issues relating to:
- Arrangements for pupils with special educational needs, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding
 - Arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding

It is a requirement that Local Authority consults the Forum annually to give a view. The final decision rests with the Mayor

14. Conclusion

The financial constraints under which the public sector is operating are not expected to ease over the next few years. Demand and severity of need are expected to place ongoing pressure on this demand-led statutory service. Overall, LAs in consultation with schools forum are expected to review budget plans to spend within the fund. As stated above, most London LAs are either exceeding their High Needs budgets. The pressure for councils such as Lewisham who are experiencing increase in pupil growth is that that the formula is not able to sufficiently fund this. However, there is a duty on LA to spend within the funding allocated.

It should be further noted that the supporting costs for transport remain a pressure on the general fund, as the cost pressure increases for SEND pupils, the associated costs for transport will also be impacted.

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