

## **LANCASHIRE SCHOOLS FORUM**

**Date of meeting 17 October 2019**

### **Item No 7**

#### **Title: Recommendations of the High Needs Block Working Group**

#### **Appendix A refers**

#### **Executive Summary**

On 26 September 2019, the High Needs Block Working Group considered a number of reports, including:

- Election of a Chair for the High Needs Block Working Group;
- High Needs/Central Schools Services Block Budget Monitoring 2019/20;
- High Needs Block Funding 2020/21;
- High Needs Block Provision Task and Finish Group Update.

#### **Recommendations**

The Forum is asked to:

- a) Note the report from the High Needs Block Working Group held on 26 September 2019;
- b) Ratify the Group's recommendations.

## **Background**

On 26 September 2019, the High Needs Block Working Group considered a number of reports. A summary of the key issues and recommendations arising from the Working Group's considerations of the items are provided in this report.

### **1. Election of a Chair for the High Needs Block Working Group**

At the Schools Forum meeting in July 2019, the previous chair of the working group, Shaun Jukes, was elected as chair of the full forum. Shaun has therefore given up his role as Chair of the Working Group.

Members were asked to elect a new Working Group Chair.

#### **The Working Group:**

- a) Elected Peter Higham, headteacher at Great Arley School, as the new Chair of the Working Group;**
- b) Thanked Shaun for his leadership during his time as Chair.**

### **2. High Needs/Central Schools Services Block Budget Monitoring 2019/20**

Summer term 2019/20 data was used to provide monitoring and analysis for the High Needs Block, Central Schools Services Block and Central items. Details against individual budget lines, information on budget adjustments and the reasons for significant variances were provided for the Working Group.

The forecast High Needs Block budget position at 31 March 2020 predicts an overspend of some £2.6m.

It was noted that when considering the 2019/20 Schools Budget, the Forum recommended that a proposal to devalue the Weighted Pupil Number (WPN) rate from the academic year 2019/20 was not taken forward, and it was agreed that the shortfall in funding should be met by the use of Dedicated Schools Grant (DSG) reserves. In budget monitoring terms this decision accounts for circa £1.3m of the forecast year end overspend.

The remainder of the forecast overspend related to increased demand and cost pressures across the High Needs Budget. An element of growth was built into the 2019/20 budget and this has been supplemented by savings elsewhere in the original budget. However, the growth figure was always considered to be a conservative estimate of the likely increased demand and was constrained in the original budget setting process by the pressures on the HNB budget envelope.

The latest forecast is predicting that the growth, combined with the cessation of the WPN devaluation proposal, will result in the circa £2.6m overspend by 31 March 2020.

Attention was drawn to the Hospital Education budget line, which forecasts a circa £30k overspend by 31 March 2020, due to increased staffing costs. This related to the relocation of mental health services from the Junction to the Cove. Forum had received previous reports about the move but an NHS restructure was now complete and the number of patients had increased from 10 to 18 meaning extra staffing was required.

As this change was happening part way through the year, the full year costs in 2020/21 will be above the forecast overspend for 2019/20. It was intended that a comprehensive report will be presented to the Working Group in December 2019, seeking support to increase the budget for this statutory service in light of the expanded provision.

Members considered other aspects of the monitoring and posed some questions around:

- The treatment of the funding to cover the decision not to introduce a reduction in the WPN value from September 2019 in accounting terms;
- The trend in Out County expenditure in recent years and comparisons to national spending;
- Spending on the nursery school PFI contribution in the central items budget;
- Explanation and the figures relating to the forecast overspend on Alternative Provision and the level of intervention capping.

Officers offered explanations around the WPN accounting and nursery PFI Issues and agreed to provide more information at the Schools Forum meeting in connection with the other questions raised.

**The Working Group:**

- a) **Noted the report and the latest budget monitoring position;**
- b) **Noted the comments provided around the forecast overspend and that further information would be provided at the Schools Forum in response to certain queries.**

*Further Information is provided below for the Forum in connection with the queries raised.*

**Out County Expenditure**

*As requested, the table below compares the National gross expenditure for 'Top-up and other funding - non-maintained and independent providers' taken from Government Section 251 data and provides a comparison with Lancashire information.*

Year	Lancashire Out County Budget- Gross Expenditure	National 'Top-up and other funding - non-maintained and independent providers' Gross Expenditure
2014/15	£11,201,041	£883,732,000
2015/16	£12,134,816	£939,950,000
2016/17	£11,218,827	£1,017,105,000
2017/18	£14,140,187	£1,120,716,000
2018/19	£17,122,902	N/A

**Notes**

- *The national increase in expenditure between 2014/15 and 2017/18 equates to 27%;*
- *The equivalent Lancashire figure is just below the national rate, at 26%;*

- Lancashire has faced a significant increase in expenditure in 2018/19 and we anticipate that this will be mirrored across the Country, as demand and cost pressures on the HNB have intensified, however National S251 Outturn data has not yet been published for 2018/19.

### **Alternative Provision Budget Monitoring**

The budget monitoring report presented to the Working Group specified that intervention capping had been introduced in the autumn term at 21 pupils and this has subsequently been updated. The number of intervention places has been capped at 154 funded places, as illustrated below:

<b>PRU</b>	<b>Funded Intervention Places</b>
A	0
B	11
C	0
D	4
E	47
F	18
G	5
H	7
I	13
J	49

These places were capped at the 2018/19 Autumn Census (i.e. the latest possible census before setting the 2019/20 budget). The cap was not implemented until this September 2019, hence the forecast overspend in the budget monitoring could include additional intervention to the end of the summer term, but not going forwards. Other increases will relate to statutory provision.

The capping was introduced as a temporary measure, in response to a circa £2m overspend on the PRU budget in 2018/19, until the outcomes from the ongoing AP reviews are published and put into practice.

### **3. High Needs Block Funding 2020/21**

On 30 August 2019, announcements from the Prime Minister set out an additional £14b of funding for schools between 2020/21 and 2022/23, 'for 5-16 schools'.

Of particular interest to the High Needs Block, the announcements included a commitment for £700m extra for children with Special Educational Needs and Disabilities (SEND) in 2020/21. We understand that this will be distributed as additional funding in the High Needs Block.

The DfE indicate that this additional funding will ensure that

"every local authority will receive an increase of at least 8% per head of 2 to 18 population through the funding floor. This minimum increase in 2020-21 allocations will be based on local authorities' high needs allocations in 2019-20, including the additional £125 million announced in December 2018. Above this minimum increase, the formula will allow local authorities to see increases of up to 17%, again calculated on the basis of per head of population"

We are still awaiting further details of how this allocation will impact on Lancashire's Dedicated Schools Grant (DSG) income and any operational changes to the High Needs Block funding requirements for April 2020. However, initial analysis by the County Council indicates that Lancashire's share of the extra £700m HNB nationally may be circa £14m in 2020/21. This additional funding would cover our latest forecast overspend in 2020/21, which is approximately £13.2m.

The level of increase attributable to the High Needs Block in subsequent years have not been specified, but will be set out by DfE ahead of 2021/22 financial year.

### ***Major Review into Support for Children with Special Educational Needs***

On 6 September 2019, the Government launched a major review into support for children with SEND.

The review will look at and put forward new actions on:

- the evidence on how the system can provide the highest quality support that enables children and young people with SEND to thrive and prepare for adulthood, including employment;
- better helping parents to make decisions about what kind of support will be best for their child;
- making sure support in different local areas is consistent, joined up across health, care and education services, and that high-quality health and education support is available across the country;
- how we strike the right balance of state-funded provision across inclusive mainstream and specialist places;
- aligning incentives and accountability for schools, colleges and local authorities to make sure they provide the best possible support for children and young people with SEND;
- understanding what is behind the rise in education, health and care (EHC) plans and the role of specific health conditions in driving demand; and
- ensuring that public money is spent in an efficient, effective and sustainable manner, placing a premium on securing high quality outcomes for those children and young people who need additional support the most.

### **The Working Group:**

- a) Noted the report;**
- b) Noted that more detailed information about the Lancashire implications around funding announcements and government reviews would be provided in due course.**

#### **4. High Needs Block Provision Task and Finish Group Report**

A verbal update on the High Needs Block Provision Task and Finish Group Report was provided for the Working Group.

It was noted that the report had been agreed by the LCC cabinet/management team, as it had been intended to provide a copy to this cycle of Forum meetings. However, the proposals now needed to be re-evaluated in light of the recent Government funding announcements.

Further explanation about the implementation of the report recommendations going forward. It was proposed that each of the recommendations would be taken forward as a specific project. Each project would be subject to a project plan, and would have a project lead, a finance contact and a school(s) representative from across phases/sectors.

The current recommendation around broadening inclusion hub proposals was highlighted.

Confirmation was provided that further information would be provided to the Forum as the process continued.

By way of further background information, a recent National Audit Office Report: Support for pupils with special educational needs and disabilities in England was provided for members. Comment was made that many of the contributor factors to the financial pressures nationally are similar to those that have been identified in Lancashire.

The Forum Chair also made reference to a recent cabinet report 'Developing the Approach and Provision for Children and Young People with Special Educational Needs and Disabilities', which had agreed a '12 point plan'. It was suggested that this information could be shared with members.

#### **The Working Group:**

- a) Noted the report;**
- b) Noted that more detailed information would be provided in due course.**

*A copy of the 12 recommendations arising from the Developing the Approach and Provision for Children and Young People with Special Educational Needs and Disabilities report are provided at Appendix A.*

### **Cabinet Report: Developing the Approach and Provision for Children and Young People with Special Educational Needs and Disabilities**

Agreed principles to be used as a framework to develop the operational approach and provision for children and young people with special educational needs and disabilities in Lancashire:

- a. Improving outcomes for children and young people with Special Educational Needs and Disabilities;
- b. Enhancing provision which supports children and young people attending a mainstream school;
- c. Implementing system led solutions to meet the needs of children and young people in their local community with support provided by education settings where possible;
- d. Securing integrated pathways across mainstream, alternative and specialist provision and into adult services to secure and improve good transition planning for young people as they move from placement to placement;
- e. Ensuring the efficient use of resources, maximising the capacity of good and outstanding local specialist provision and reviewing underutilised provision to address the unsustainable budget pressures within the High Needs Block;
- f. Developing a consistent offer, which provides choice and ensures equity of access;
- g. Sharing information to inform decision making and ensure accountability;
- h. Learning from and responding to the findings and recommendations of inspections and reviews;
- i. Considering capital investment opportunities to meet predicted increase in population growth and changing needs;
- j. Extending the size, age range and the school population served by existing special schools where possible to improve use of resources;
- k. Reducing the amount of travel to school time for children and young people where possible, engaging providers in developing and supporting travel arrangements; and
- l. Working collaboratively with neighbouring councils to seek to maximise efficient use of resources where possible.