



<b>Schools Forum</b> Date: 22 June 2018 Time: 8:30 am Venue: Shrewsbury Training and Development Centre	<u>Item</u>  Public	<u>Paper</u>  <b>H</b>
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## DEDICATED SCHOOLS GRANT HIGH NEEDS BLOCK SUMMARY

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### Summary

This report summarises both current spending priorities and the potential future pressures on the high needs block of the Dedicated Schools Grant (DSG).

### Recommendation

This report is for information only.

## REPORT

### Context

1. The high needs funding system supports provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and providers to meet their statutory duties under the Children and Families Act 2014. High needs funding is also intended to support good quality alternative provision for pre-16 pupils who cannot receive education in schools (*High needs funding 2018 to 2019: Operational guide*).
2. Shropshire remains one of the lowest funded local authorities in terms of its High Needs Block allocation and has seen no increase in its allocation, in real terms, following the announcement this year of an additional £1.3 billion for schools and high needs over the period 2018/19 and 2019/20.
3. The Shropshire high needs allocation for 2018/19 is £25,077,034. This represents an uplift of 0.2% on the previous year. In January 2018 Schools Forum approved a transfer of £0.784m from the Schools Block of the Dedicated Schools Grant (DSG) to the High Needs Block, increasing the total allocation available for 2018/19 to £25,861,034. The final outturn position in 2017/18, as at 31 March 2018, identified an overspend of £190,338.

4. Shropshire has, until recently, maintained a budget that is not in deficit and is able to demonstrate positive outcomes for children and young people with SEND in comparison with similar groups nationally.

### Current spending patterns

5. The table below identifies the main areas of spend and percentage of the high needs budget allocated to each of these.

CATEGORY	% of high need block
Special schools (includes place plus top-up for both maintained and academies 0-19)	35.4%
Units attached to mainstream schools (non-delegated and delegated provision)	1.4%
Schools mainstream 'top up' (EHCP plus GSP)	16.4%
AP/PRUs	11.3%
Post 16 – Independent Specialist Providers (ISP)	2.5%
Post 16 - further education (mainstream / including training providers)	3.6%
Independent placements (non-maintained schools) 0-19	19.1%
High Need Support Services	6.2%
EY Inclusion Fund	0.0%
Other	4.0%
<b>Total %</b>	<b>99.8%</b>
<b>Total BUDGET Allocation</b>	<b>£25.1m</b>

### Anticipated budget pressures 2018/19

6. The Children and Families Act 2014 places additional statutory responsibilities on both the local authority and Clinical Commissioning Group - this includes an increase in age range 0 to 25 (from 2 to 19) that the local authority maintains a statutory responsibility for education provision for young people with SEND. These changes have resulted in an increase in demand, particularly in the upper age range, and this in turn has placed a significant pressure on the high needs budget. This is predicted to increase year on year. Changes to local authority responsibilities have not been centrally supported by a corresponding increase in high needs allocation.

### Post 16

7. The financial spend has increased by nearly £400k since the introduction of Education, Health and Care plans (EHCPs) in 2014/15. This represents an increase of 149.23% from 2014/15 to 2017/18. The average cost per student has increased by over 5% in 2017/18. The drivers for this increase include:
  - an increase in the numbers of students with complex needs requiring specialist provision
  - students increasing the length of their study period under the Children and Families Act

- provider fees expected to rise nationally in 2018/19.

### **Independent, Maintained and Academy Special Schools**

- The Education Skills Funding Agency (ESFA) has introduced an adjustment mechanism so that, where local authorities have pupils placed in out of county maintained special schools and academies, the place funding will be reflected in the high needs grant allocation of the placing authority. This will have an ongoing and significant impact on the high needs budget as Shropshire frequently place children in out of authority maintained special schools and specialist academies - the adjustment will therefore be a deduction. For the period 2018/2019 this will amount to £804k.
- In respect of the current review of top-up levels paid to Severndale Specialist Academy and Woodlands School, it is anticipated that the cost of delivering provision at each of these settings will lead to an overall increase in top-up levels.
- There has been an increase in the number of children and young people identified with significant and/or complex needs that cannot be met in mainstream school. This is reflected in increasing numbers accessing specialist settings both the maintained and independent sectors. Place funding and top-up funding for these placements is wholly derived from the High Needs Block. Where a child or young person requires access to very specialist 52 week placement, their health and care needs often take precedence over their educational needs and provision is very expensive. There has been an increase in the number of children requiring these types of placement and a corresponding increase in the total cost – see table below.

<b>Independent Special Schools</b>		
<b>Year</b>	<b>Pupils</b>	<b>Total cost</b>
2013/14	108	£4.400m
2014/15	76	£3.770m
2015/16	73	£4.675m
2016-17	105	£4.239m
2017-18	111	£4.701m

- There has been a steady increase in the numbers accessing a placement at TMBSS (Shropshire's alternative provision). Placements can be accessed for behaviour support, medical reasons and to support assessment. The majority of children are on dual role with a mainstream school and will return to mainstream following a period of intervention.

<b>TMBSS</b>	<b>2015/16 Outturn</b>	<b>2016/17 Outturn</b>	<b>2017/18 Outturn</b>	<b>2018/19 Budget</b>
Top-Ups	£0.996m	£0.973m	£1.011m	£1.041m
Place Funding	£1.380m	£1.380m	£1.460m	£1.460m
Hospital Tuition	£0.105m	£0.105m	£0.105m	£0.105m

<b>Total</b>	<b>£2.481m</b>	<b>£2.458m</b>	<b>£2.576m</b>	<b>£2.606m</b>
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## Other

12. The numbers of children permanently excluded from school has been increasing. There has been a substantial increase in numbers in the current academic year. This has a significant impact on high needs budget – see table below.

	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>
6 <sup>th</sup> Day Provision	£44,913	£81,120	£188,395

13. The outcome of the SEN high needs provision strategy is to develop cost effective specialist provision by creating specialist hubs within mainstream schools. Capital funding has been provided through a specific grant. There will be an impact on revenue funding and, therefore, the High Needs Block. It is anticipated that there will be an initial draw on the High Needs Block as revenue funding will be required to support set-up. In the longer term, hub provision will represent value for money as there will be a reduced need to place children in independent specialist provision.
14. The outcome of the review of the Sensory Inclusion Service (SIS) will deliver some savings. In the first year, it is anticipated that savings in the region of £67,000 can be achieved and in the second year a further saving of £76,000. Additional savings may be achieved depending on the model introduced following the review.