

# DARLINGTON SCHOOLS FORUM

18<sup>th</sup> October 2018

ITEM NO 4

## HIGH NEEDS BLOCK

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### Purpose of Report

1. To update Forum regarding the plans for the High Needs Deficit Recovery Plan.

### Background

2. Officers have been working on mitigating actions to reduce the in-year and historic deficit in the High Needs budget.
3. Schools Forum are aware that officers have been considering plans to mitigate the financial position and work has been done to develop these and to assess the appropriate profile for these savings across three financial years. Each of these savings proposals and the planned profile has been set out in this paper.
4. Following Cabinet decision on 9<sup>th</sup> October 2018 the Local Authority will be consulting on a draft SEND strategy and funding arrangements. The consultation will end on 28<sup>th</sup> November 2018. The draft strategy identifies 6 key objectives for supporting Darlington's children and young people with SEND.
5. The strategy has been written to respond to the key priorities set out in the SEND code of practice, and highlights local strategic aims associated with each priority area for implementation. These are set out below:

**(a) Early identification of need ensuring that the right children and young people are in the right placement with the right support**

Early identification and intervention is essential to prevent underachievement and improve outcomes and improve children's life chances.

**(b) Building capacity in mainstream settings to enable children and young people to be educated in appropriate settings locally**

Children and young people with SEND need to have good quality support in their mainstream and local settings so that they can achieve their academic potential and maintain their self-esteem and confidence.

**(c) Ensuring that children and young people are educated in their local community and have an effective preparation for adulthood and access to work and leisure opportunities**

Being educated in their local area enables pupils with SEND greater independence and a sense of contributing and belonging to their local community. Children and young people with SEND tell us that they want to make friends locally and access local facilities with their families.

**(d) Increasing achievement and improving outcomes for children and young people with SEND**

Address the underperformance in educational achievement across the Key Stages but particularly at Key Stage 4 through targeted interventions, appropriate curriculum, high quality training and effective quality assurance, monitoring and moderation.

**(e) Focus on effective collaboration, co-production and communication**

Ensuring that all policies, practices are co-produced with all stakeholders and with the active involvement of parent/carers and children and young people.

**(f) Achieving ‘Best Value’ (human, physical and financial resources) from all our services**

Effective, efficient and co-ordinated services that meet the needs of children and young people with SEND and their families. With increasing demand we must ensure that the right resources are going to the right children in the right place.

6. The proposals around “top up” funding are to replace the current banding system with a simplified banding approach linked to the SEND needs ranges. The needs ranges outline a pupil need led approach with greater emphasis on accountability and targeting of high needs funding to meet each pupil’s need. The focus will be on an evidence base of the assessment of need, the range of interventions in place and the impact and outcome.

7. The proposed banding model based on the range of need is as follows:

Range	Band	Additional “top up” Funding
1	1	Nil
2	2	Nil
3	3	Nil
4	4a	£3000
	4b	£6500
5	5a	£8500
	5b	£10000
6	6a	£12500
	6b	£15000
7	7	Determined by need

Ranges 1 to 3 cover the support expected from the pupil funding and the notional SEN funding. It is unlikely pupils in mainstream school will be banded above Band 5a as the needs in ranges 1 to 5 have been identified as being reasonably supported at a mainstream provision . The majority of those with support needs above £6,000 notional SEN funding are expected to sit in Band 4

8. The draft strategy outlines the LA identified gaps in local provision and the consultation will seek views on the following proposals for key areas of consideration of commissioning local provision to meet need and manage demand. The LA is exploring working with neighbours in the Tees Valley on SEMH provision across the region.

<b>Type of Need</b>	<b>Phase</b>	<b>Delivery</b>
Pupils with Social, Emotional and Mental Health Needs (SEMH)	Primary	Resource base in a primary schools setting
Pupils with Social Emotional and Mental Health Needs (SEMH)	Secondary	Resource base/unit in a secondary setting or Alternative provision
Pupils with Moderate Learning Difficulties	Secondary	Resource base in a Secondary setting

9. High Needs funding pressures are currently being faced by many local authorities nationally and reviews of funding arrangements are being undertaken in many areas.
10. Currently £250,000 of the High Needs Budget is allocated to secondary schools for Behaviour and Attendance funding. A further £75,000 is allocated for primary school support through the LAPPS budget. With the introduction of the Vulnerable Pupil Panel which considers pupils across both phases it is proposed that an allocation of £100,000 is made to the panel to support individual pupil cases and the remainder of the funding be utilised to support a reduction in the High Needs Block overspend.
11. Each of the initial savings proposals have been set out in the table below. This table shows savings against the current projected in-year overspend, on a year by year basis.
12. The figures included within the table are indicative pending the outcome of the public consultation, cabinet decision and the current funding formula consultation.
13. Further work needs to be undertaken to identify and develop further savings and to assess the appropriate profile for these savings across three financial years.

<b>Category</b>	<b>Proposal</b>	<b>Savings Measures 2019/20 £'000</b>	<b>Savings Measures 2020/21 £'000</b>	<b>Savings Measures 2021/22 £'000</b>
1. High Needs Mainstream Top Up	Following public consultation instigate the SEND top up rates and the previously agreed reduction in lump sum payments	383	512	512
2. Reduction in SEMH independent school placement	Commissioning of local provision to expand capacity	692	1,038	1,038
3. LA proposed transfer of schools block funding	Proposal currently subject to consultation with schools	900		
4. Reduction in LAPPS and Behaviour & Attendance funding	Reduction in funding	225	225	225
<b>Total Reduction in expenditure</b>		<b>2,200</b>	<b>1,775</b>	<b>1,775</b>
Less - Current Annual in-year (projected) overspend, including current schools block transfer*		1,998	1,998	1,998
<b>Net saving (shortfall) to allocate against accumulated previous years pressure</b>		<b>202</b>	<b>(223)</b>	<b>(223)</b>

\*The pressure assumes all future years have the same spend as projected in 2019/20.

14. The proposals included in the table above (if implemented following the consultation) provide a balanced budget in year for 2019/20 and in addition provide £202,000 to repay accumulated overspends brought forward (from 2017/18 and 2018/19).

15. At this stage the in-year budget position for 2020/21 onwards are not balanced.
16. Further work needs to be undertaken to identify and develop further savings to bring the budget into balance in future years and recover all previous years deficits. This work will be informed by the outcome of the current consultation process.
17. In addition to further reductions in spend the Local Authority may make further approaches to move funding from the schools block into the high needs block in 2020/21 onwards, if the regulations allow for this.
18. The DfE have notified local authorities that from 2019/20, they intend to tighten up the rules under which local authorities have to explain their plans for bringing the DSG back into balance. No details have been received as yet, regarding the parameters the DfE will in use in determining the time frame in which the DSG is to be brought back into balance. The DfE intends to consult on this in the autumn.
19. The Local Authority will provide Forum with regular updates on the deficit reduction plan.

**Tony Murphy**  
**Head of Education and Inclusion**