

Southend-on-Sea Borough Council

Department of the Chief Executive

John Williams - Director of Democratic & Legal Services

Our ref:

Telephone: **01702 215106**

Your ref:

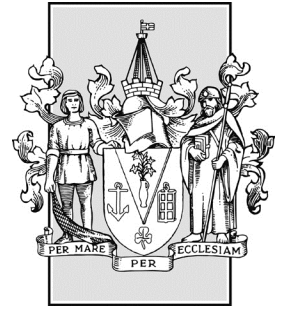
Fax: **01702 215994**

Date: 10th March 2017

E-mail: **committeesection@southend.gov.uk**

Contact Name: Robert Harris

DX 2812 Southend



Dear Board member,

EDUCATION BOARD - WEDNESDAY, 15TH MARCH, 2017

Please find enclosed, for consideration at the next meeting of the Education Board taking place on Wednesday, 15th March, 2017, the following report(s) that were unavailable when the agenda was printed.

Agenda No	Item
----------------------	-------------

7.	<u>High Needs Funding</u> (Pages 1 - 12)
-----------	---

Report from Ian McFee

Encs

Southend-on-Sea Borough Council

Report of Deputy Chief Executive - People
and Director of Finance and Resources

To
Education Board
On
15 March 2017

Agenda
Item No.

7

Report prepared by:

Ian McFee, Group Manager - Special Educational Needs and
Paul Grout, Senior Finance Business Partner – Financial Management

High Needs Budget 2017/18

1 Purpose of Report

To present the High Needs budget allocations for 2017/18.

2 Recommendations

- 2.1 That the 2017/18 High Needs budget is agreed and adopted as presented, including the revised funding allocations in relation to mainstream and special school top ups as referenced in this report to achieve savings required between current spend and budget available.

3 Background

- 3.1 This report sets out the proposed High Needs budget for 2017/18, following DSG funding block announcements made on 20 December 2016.
- 3.2 For 2017/18 the High Needs block funding announced through DSG is £17.784 million. Of this £3.994 million is recouped to fund high needs places funded directly by the EFA, leaving the locally available sum at £13.790 million.
- 3.3 The high needs block for 2017/18 is an increase of £1,023,212 from 2016/17. Of this increase £564,000 funds the 94 post-16 further education places Southend commissions at £6,000 per place. This was previously not included in the high needs block, but has been added and recouped in preparation for the high needs funding reform. This leaves a net increase of £459,212 due to increased pupil numbers in Southend.
- 3.4 Recognising the 2016/17 high need funding pressures previously reported at Education Board in December 2016, the proposed budget allocates the

additional £459,212 funding for 2017/18, whilst additionally adopting revised funding allocations to special schools and mainstream schools in order to ensure funding is sustainable for 2017/18.

- 3.5 The Council is commissioning a wide ranging review of SEN provision across the borough in preparation for the impact of the high needs funding reform. While this indicates there is likely to be an uplift for Southend in both 2018/19 and 2019/20, there is unlikely to be future scope to realign funding should there be a predicted overspend in future. Therefore we need to prepare for this and devise a sustainable system that will also enable the needs of more children and young people with special education needs to be supported via the high needs block than are currently.

4 Funding allocations for 2017/18

- 4.1 The complete high needs budget for 2017/18 and budgeted movement from 2016/17 is illustrated in “Appendix 1 – High Needs block 2017/18”.

5 Place Funding

- 5.1 The only movement in place numbers from 2016-17 is the introduction of commercial and charitable providers (CCP) and FE place funding which is recouped from the High Needs budget by the EFA at £564,000 for 94 places at £6000 per place.
- 5.2 Lancaster special school (post 16 £210k funding error). This error is due to Lancaster having 21 post-16 young people from Essex. When the EFA switched funding from a ‘location basis’ to an ‘institution basis’ in 2014, Essex pupils were added to the total number of places rather than being taken as part of it. As Lancaster is a maintained school the EFA advised us to transfer this funding through our high need block. Please note this has no current impact on the high needs block or Lancaster School’s funding, however the Council are continuing to work with the EFA to ensure this is corrected so the high needs block suffers no funding impact when Lancaster school becomes an academy.

6 Top up funding for Special Provisions

- 6.1 The latest 2016/17 total in year financial pressure is £192,026 across this budget area. As reported at the Educational Board, this is mainly due to increased occupancy numbers in The St Christopher School and Kingsdown School, as well as top-up amounts across the special schools increasing due higher a proportion of pupils being allocated into the higher cost funding bands that budgeted for. Historically there have never been criteria attached to the bands for special schools making transparency in allocating bands impossible.
- 6.2 While there is additional funding to allocate, if the proportion of pupils continues to increase in the higher cost top up bands this would lead to an added funding pressure against any increase. Therefore as an interim measure to mitigate against further financial risk prior to the full review of SEN provision we propose the current separate top-up banded amounts are re-calculated to a one weighted average banded amount determined for each individual school from September 2017. Therefore regardless of whether the pupil is currently banded

in band 1, 2 or 3 the same amount of top up funding will be awarded. Appendix 3 illustrates the revised banded top up amount for each school. These have been calculated on 2016/17 original budgeted top up amounts and top up place numbers.

- 6.3 Historically the budget reflected an assumed 85% of places would be occupied by Southend pupils. Budgeted top up funding for individual schools has been amended to re-base to current occupancy levels. This change therefore ensures the individual top up budgets are more reflective of the expected funding allocations to be awarded in 2017/18 for individual schools. Appendix 2 illustrates the current southend pupil occupancy % of place funded numbers.
- 6.4 To support funding requirements for special schools in this academic year, existing top up banded amounts will continue until September 2017. With the introduction of average banding top up amount's from September 2017, along with the revised occupancy levels for Southend pupils this allocates an additional £289,140 of the £459,212 available to the budget for Top up Funding on Special Provisions.
- 6.5 While this increases the budget amount for 3 of the special schools, we recognise that for some special schools this will represent a decrease compared to actual funding they would have received had the existing banded top up amounts continued. Appendix 4 illustrates the difference between the funding the special schools would have received based on existing banded amounts and occupancy levels continuing, compared to the 2017/18 budgeted funding the special schools will now receive if current occupancy levels are maintained.
- 6.6 Budgeted flexible top up funding has increased by £60,000 to reflect the additional place funding allocated to special schools that go significantly over number, as previously agreed at schools forum for 16/17 financial year.
- 6.7 The review of SEN provision is initially looking at special school banding, followed by units and mainstream schools, in order to produce a transparent, needs based funding model that is fair, sustainable and equitable across the schools.

7 Top up funding for other provisions

- 7.1 As reported at the Educational Board in December this area is now overspending. A total in year financial pressure across this budget area of £466,604 is forecast for 2016/17. This is due primarily to increased EHCP top ups provided to primary schools, as well as out of borough school and Post-16 top ups.
- 7.2 There is insufficient increased funding available from the £459,212 to fully cover the predicted pressure for 2017/18. A net total budget increase of £202,073 has been allocated to this budget area to allow funding to temporarily continue at the current rate until September 2017 but this therefore will clearly require a saving based on current spend to be addressed in the change to banded rates for EHCP top-ups to be implemented from September 2017.

8 Other High Needs Budgets

- 8.1 A net total decrease in budgeted funding reduction of £32,000 is allocated to this budget area.
- 8.2 The funding to independent providers has been set at the same level as 2016/17, recognising costs have been maintained within £1,200,000
- 8.3 The Low Cost High Incidence (LCHI) funding for primary and secondary has been reduced by £50,000. This is in line with the level of payments made against this budget line in previous years.
- 8.4 The overspend on Hospital Education provision is the cost of educating Southend pupils placed by health in Tier 4 beds in independent institutions with private education providers on site. It is a DfE requirement this is funded from the High Needs Block, but we are reviewing this to see if the costs can be moderated.
- 8.5 The 2017/18 budget for the Outreach Services supplied by The St Christopher School, Kingsdown and Fairways Special Base has been amended to reflect the current level of these agreements.

9 Conclusion

- 9.1 The change to average banding for special schools and the introduction of banding for EHCP top-ups for mainstream schools are measures that are required to bring the budget in line for 2017/18, and to mitigate as much as possible against in year overspend.
- 9.2 Whilst recognising this budget is seeking to control existing expenditure, it allocates all of the high needs block income for 2017/18 in totality. Therefore any degree of expenditure increases above the 2017/18 budget allocated will place immediate serious financial strain on the high needs block and further financial measures will need to be recommended to the Educational Board to bring expenditure back in line with the available resources.
- 9.3 This budget effectively proposes immediate measures to address the existing financial pressure, work will be continuing to ensure a longer term sustainable funding system is devised to ensure that the available funding can be fairly distributed while remaining within budget constraint, whilst also recognising the limitations of the high needs funding reforms.

10 Appendices

Appendix 1 – High Needs Budget 2017/18

Appendix 2 – Special School and base – Southend pupil occupancy %'s

Appendix 3 – Special School top up funding – average. bands from September 2017

Appendix 4 – Special School Budget 2017/18 compared to current full year cost continuing

Appendix1 - High Needs Budget 2017/18

S251 Line	Summary Line	Total Budget 2016/17 (including recoupment)	Outturn 2016/17	Var 2016/17	Total Budget 2017/18	2017/18 Recouped	Budget Var 2017/18 to 2016/17
1.0.1	Place Funding - Seabrook College - PRU	810,000	810,000	-	810,000	-	-
	Place Funding - St Christopher's Academy (Pre 16)	2,000,000	2,000,000	-	-	2,000,000	-
	Place Funding - St Nicholas Special School	920,000	920,000	-	920,000	-	-
	Place Funding - Seabrook College - Special School	440,000	440,000	-	440,000	-	-
	Place Funding - Kingsdown Special School	1,050,000	1,050,000	-	1,050,000	-	-
	Place Funding - Lancaster Special School (Pre 16)	230,000	230,000	-	230,000	-	-
	Place Funding - St Christopher's Academy (Post 16)	120,000	120,000	-	50,000	70,000	-
	Place Funding - Lancaster Special School (Post 16)	540,000	540,000	-	-	540,000	-
	Place Funding - Lancaster Special School (Post 16) - error				(210,000)	210,000	-
	Place Funding - Chase Academy Special Base	120,000	120,000	-	-	120,000	-
	Place Funding - Shoeburyness Academy Special Base	180,000	180,000	-	-	180,000	-
	Place Funding - Temple Sutton Special Base	50,000	50,000	-	50,000	-	-
	Place Funding - Fairways Special Base	150,000	150,000	-	150,000	-	-
	Place Funding - Hamstel Infants Special Base	30,000	30,000	-	-	30,000	-
	Place Funding - Non Maintained Special Schools	-	-	-	-	-	-
	Place Funding - YMCA Free School Recoupment	320,000	300,000	(20,000)	40,000	280,000	-
	CCP and FE place funding	-	-	-	-	564,000	564,000
	Total place funding	6,960,000	6,940,000	(20,000)	3,530,000	3,994,000	564,000
1.2.1 / 1.2.2	Top up Funding - SP - St Christopher's Academy (Pre 16)	1,294,448	1,524,297	229,849	1,486,816		192,368
	Top up Funding - SP - St Nicholas Special School	405,180	536,659	131,479	472,092		66,912
	Top up Funding - SP - Kingsdown Special School	863,690	1,031,148	167,458	1,034,682		170,992
	Top up Funding - SP - Lancaster Special School (Pre 16)	197,444	128,839	(68,605)	157,356		(40,088)
	Top up Funding - SP - St Christopher's Academy (Post 16)	102,796	80,624	(22,172)	80,624		(22,172)
	Top up Funding - SP - Lancaster Special School (Post 16)	468,379	349,319	(119,060)	389,470		(78,909)
	Subtotal	3,331,937	3,650,886	318,949	3,621,041		289,104
	Top up Funding - SP - Seabrook College - Special School	465,615	307,573	(158,042)	349,838		(115,777)
							-
	Top up Funding - SP - Chase Academy Special Base	27,815	45,905	18,090	54,540		26,725
	Top up Funding - SP - Shoeburyness Academy Special Base	74,174	78,780	4,606	87,264		13,090
	Subtotal	101,989	124,685	22,696	141,804		39,815
	Top up Funding - SP - Temple Sutton Special Base	30,906	34,542	3,636	43,632		12,726
	Top up Funding - SP - Fairways Special Base	23,180	19,847	(3,333)	23,180		-
	Top up Funding - SP - Hamstel Infants Special Base	18,544	19,998	1,454	21,816		3,272
	Subtotal	72,630	74,387	1,757	88,628		15,998
	Top up Funding - SP - Seabrook College - PRU	387,600	387,600	-	387,600		-
							-
	Flexible Top Ups for additional special pupils -	40,000	46,666	6,666	100,000		60,000
	Total special provision top up funding	4,399,771	4,591,797	192,026	4,688,910		289,140
1.2.1 / 1.2.2	ECHP Top ups - Early Years	40,000	54,000	14,000	40,000		-
	ECHP Top ups - Primary Phase	1,038,000	1,373,775	335,775	1,206,357		168,357
	ECHP Top ups - Secondary Phase	600,000	532,154	(67,846)	493,716		(106,284)
	Out of Borough Top ups	370,000	482,463	112,463	450,000		80,000
	Post 16 Top ups	560,000	632,212	72,212	620,000		60,000
	Total other provision for top up funding	2,608,000	3,074,604	466,604	2,810,073		202,073
1.2.3	Independent Providers	1,200,000	1,200,000	-	1,200,000		-
1.2.4	High Needs targeted LCHI funding Primary	60,000	6,955	(53,045)	30,000		(30,000)
	High Needs targeted LCHI funding Secondary	40,000	40,000	-	20,000		(20,000)
1.2.5	Education out of School - Seabrook College	153,100	153,100	-	153,100		-
1.2.6	Hospital Education provision	32,000	140,300	108,300	32,000		-
1.2.5	SEN Team Assessments and Placements	422,479	422,479	-	422,479		-
1.2.5	SEN Support Services - Visually Impaired Outreach - Kingsdown Special School	90,000	96,000	6,000	96,000		6,000
	SEN Support Services - Outreach Service - St Christopher's Academy	50,000	80,000	30,000	80,000		30,000
	SEN Support Services - Outreach Service - Fairways Special Base	50,000	20,000	(30,000)	20,000		(30,000)
	SEN Support Services Other	12,000	24,000	12,000	24,000		12,000
1.2.7	Preventative Pathways SLA with Seabrook	192,000	192,000	-	192,000		-
	Elective Home Education Costs	8,000	6,000	(2,000)	8,000		-
1.2.8	Nurture Base Provision - Seabrook College	483,000	483,000	-	483,000		-
	Total other provisions	2,792,579	2,863,834	71,255	2,760,579		(32,000)
Grand Total		16,760,350	17,470,235	709,885	13,789,562	3,994,000	1,023,212

This page is intentionally left blank

Appendix2 - Southend pupil occupancy %'s

S251 Line	Summary Line	Total Budget 2016/17 (including recoupment)	Outturn 2016-17	Var 16-17	Total Budget 2017/18	Budget Var 2017/18 to 2016/17	Southend 16/17 Funded Place Numbers	Current Southend Occupancy % of place funding
1.2.1 / 1.2.2	Top up Funding - SP - St Christopher's Academy (Pre 16)	1,294,448	1,524,297	229,849	1,486,816	192,368	200	92%
	Top up Funding - SP - St Nicholas Special School	405,180	536,659	131,479	472,092	66,912	92	88%
	Top up Funding - SP - Kingsdown Special School	863,690	1,031,148	167,458	1,034,682	170,992	105	101%
	Top up Funding - SP - Lancaster Special School (Pre 16)	197,444	128,839	(68,605)	157,356	(40,088)	23	65%
	Top up Funding - SP - St Christopher's Academy (Post 16)	102,796	80,624	(22,172)	80,624	(22,172)	12	67%
	Top up Funding - SP - Lancaster Special School (Post 16)	468,379	349,319	(119,060)	389,470	(78,909)	54	72%
	Subtotal	3,331,937	3,650,886	318,949	3,621,041	289,104		
	Top up Funding - SP - Seabrook College - Special School	465,615	307,573	(158,042)	349,838	(115,777)	44	64%
	Top up Funding - SP - Chase Academy Special Base	27,815	45,905	18,090	54,540	26,725	12	100%
	Top up Funding - SP - Shoeburyness Academy Special Base	74,174	78,780	4,606	87,264	13,090	18	100%
	Subtotal	101,989	124,685	22,696	141,804	39,815		
	Top up Funding - SP - Temple Sutton Special Base	30,906	34,542	3,636	43,632	12,726	5	120%
	Top up Funding - SP - Fairways Special Base	23,180	19,847	(3,333)	23,180	-	15	60%
	Top up Funding - SP - Hamstel Infants Special Base	18,544	19,998	1,454	21,816	3,272	3	100%
	Subtotal	72,630	74,387	1,757	88,628	15,998		
	Top up Funding - SP - Seabrook College - PRU	387,600	387,600	-	387,600	-	57	85%

This page is intentionally left blank

Appendix 3 - Weighted average banded amount from Sept-17

S251 Line	Summary Line	16/17 Budgetted Top Up No.s					Weighted Avg. banded amount	
		Band1 No.s	Band 1 price £	Band2 no.s	Band2 price £	Band3 no.s		Band3 price £
1.2.1 / 1.2.2	Top up Funding - SP - St Christopher's Academy (Pre 16)	102	£10,078	68	£6,553	30	£1,644	£7,614
	Top up Funding - SP - St Nicholas Special School	8	£11,301	42	£7,353	42	£1,844	£5,181
	Top up Funding - SP - Kingsdown Special School	62	£11,294	43	£7,346			£9,677
	Top up Funding - SP - Lancaster Special School (Pre 16)	16	£11,301	7	£7,353			£10,099
	Top up Funding - SP - St Christopher's Academy (Post 16)	12	£10,078					£10,078
	Top up Funding - SP - Lancaster Special School (Post 16)	39	£11,301	15	£7,353			£10,204
	Top up Funding - SP - Seabrook College - Special School	18	£15,699	26	£10,200			£12,450

This page is intentionally left blank

Appendix 4 - Special School place and top up Budget 2017/18 combined compared to full year cost of place and existing banded amounts

Special School	Total Budget 2016/17 (including recoupment)	Outturn 2016/17	Var 2016/17	Full yr cost of current place and top up funding	Total Budget 2017/18	Var Budget 2017/18 to Full Year effect for the cost of existing banded top ups
St Christopher's Academy (Pre and post 16)	3,517,244	3,724,921	207,677	3,818,174	3,687,440	(130,734)
St Nicholas Special School	1,325,180	1,456,659	131,479	1,465,459	1,392,092	(73,367)
Kingsdown Special School	1,913,690	2,081,148	167,458	2,097,140	2,084,682	(12,458)
Lancaster Special School (Pre and post 16)	1,435,823	1,248,158	(187,665)	1,313,138	1,316,826	3,688
Seabrook College - Special School	2,103,215	1,945,173	(158,042)	1,989,188	1,987,438	(1,750)
Total	10,295,152	10,456,059	160,907	10,683,099	10,468,479	(214,620)

This page is intentionally left blank