



North Tyneside Council

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Briefing note

To: Schools Forum
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On behalf of the SEND Working Group
Date: 9 December 2015

Title of Briefing: Funding Required from the High Needs Block for SEND Provision in 2016/17

1. Introduction

At the September 2015 meeting of the School's Forum an update was given on the evaluation of commissioned High Needs SEND provision. The report set out a way forward to develop a proposal for Schools Forum to consider at the December meeting about the size and use of the High Needs Block for 2016-17. It was agreed that the work should be overseen by the SEND Working Group chaired by Mark Longstaff, Head of Commissioning and Investment. This briefing note summarises the outcomes of that work and sets out proposals for High Needs Funding in 2016-17.

There have been on-going pressures on the High Needs Block as a result of increased demand for high needs provision from mainstream schools.

This report provides information on the financial position over the last two years and the movement which primarily comes from:

- Increase in demand
- The SEND 0-25 agenda and resultant need to develop provision and an increase in statutory assessments undertaken
- Our strategy to invest in provision in North Tyneside wherever possible and not commission expensive out of area specialist placements

2. Recommendations for the Forum:

Forum is invited to:

- Comment on and endorse the recommendations from the SEND Working Group to address the immediate cost pressures and allocate resources to the High Needs Budget for 2016-17.

- Note the ongoing programme of the SEND Working Group for 2016-17 and beyond as outlined in Appendix 1. Updates to the School Forum can be made as required. It would be helpful to include Head teacher representation from mainstream schools into this group to provide balance and additional scrutiny into the work being undertaken.

3. Background

Local Authorities have responsibility for ensuring that sufficient resources are set aside within the Dedicated School Grant (DSG) to meet anticipated demand in relation to High Needs SEND Provision. This requires strategic decisions to be taken, based on information and intelligence about needs, on how funding for 2016-17 is distributed between the three funding blocks of the DSG, i.e. the Schools, High Needs and Early Years blocks.

Over time, there has been a significant investment in special education provision within North Tyneside. This has minimised the need for children and young people to be placed outside of the borough in placements which are often expensive and can create difficulties for parents and families in maintaining contact with their child.

The work which has been overseen by the SEND Working Group addresses the immediate pressures on funding which were described in the September report and are summarised in Section 5 of this report.

The recommendations in this report represent one stage in developing a more robust and long-term approach to planning provision funded by the High Needs Block. The SEND Working Group will continue its programme of work including analysing needs, developing the local offer and influencing budget planning for 2017-18 and beyond. This work will strengthen the capacity of School's Forum to respond strategically to pressures on the High Needs budget.

A summary of the key issues the Working Group will address are shown at Appendix 1. The Working Group will keep Schools Forum updated about progress and issues in 2016-17.

4. National Policy Context

The Education Funding Agency (EFA) has published guidance on High Needs Funding for 2016-17. The high needs system remains largely unchanged from 2015-16. There will be no additional opportunities to respond to funding pressures over and above the standard allocations process. Further education funding is not protected. EFA has asked providers to be prepared for a 10 or 20% reduction in funding. The DSG will be allocated in December. All providers will have allocations by the end of March 2016. There is no information available yet about further developments to SEND funding following the DfE commissioned report from ISOS Partnership. The EFA also published guidance on the High Needs Place Change Request process. The Council has responded by including a new provider (Excel North), confirming places at Grasmere ARP and adjusting place numbers at Tyne Met in line with the

expected level of demand. The EFA has also consulted on the allocations methodology for Special Schools. The outcome will be published on the EFA website.

Area Based Reviews focused on general further education (FE) and sixth form colleges are being implemented across the country. The reviews are expected to generate options for change to put the FE sector on a more stable footing. The outcomes are likely to touch on all colleges. The government wants to move towards fewer, larger, more resilient and efficient colleges. In some cases this may involve curriculum rationalisation, while in others restructuring is likely to be needed. Greater specialisation is also expected, with concentrated expertise to support progression through professional and technical routes. The review could therefore impact on specialist provision and the local offer. A review is well advanced in Tees Valley. North Tyneside will be covered by the North East review (7 LAs). This is likely to start in March 2016. All reviews need to be completed by March 2017. A Steering Group will be established and the Council will be invited to join.

Ofsted Inspection of Local Area SEND Arrangements are expected to be high profile. Gill Reay is the lead inspector at Ofsted. The Ofsted consultation on the proposed inspection arrangements closes on 4th January 2016.

5. High Needs SEND Budget

Pressures on High Needs Funding in 2014-15 and 2015-16

At the end of 2014/15 pressures on the High Needs Block resulted in an over spend of £1.1M. This was addressed in 2015/16 with a transfer of £0.217M from the Schools Block and £1.223M from the Early Years Block. The latter was a balance of non-committed early years funding, and was allocated as recommended in the report to Schools Forum on the Early Years Block in September 2015. The remaining balance of £0.337M will be used to offset the forecasted overspend in High Needs in 2015-16 which is currently expected to be £1.186M. After applying the £0.337M the remaining balance is forecasted as a deficit of £0.849M. Schools Forum is requested to consider how this deficit should be addressed as part of this report. Recommendations are set out in section 6 below.

Budget Pressures in 2015-16

The projected High Needs overspend for 2015/16 is forecast to be £1.186M. The main areas of increased costs are Top-up for Pre and Post 16 pupils, Special Schools' places and PRU Places / Top-up.

The following tables set out the level of funding allocated to schools over the last three years and show how budget and expenditure has moved in that three year period.

Mainstream/ Academies & Colleges Top-up Funding

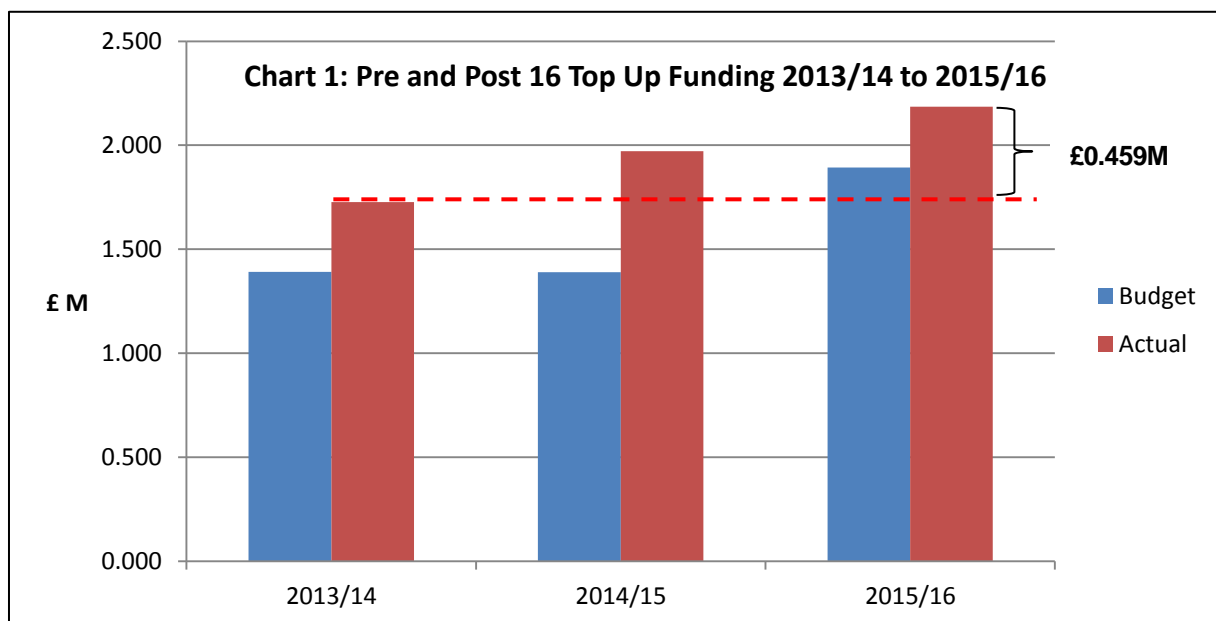
Top-up funding is allocated to schools and post-16 providers to support high needs learners. The expenditure for top-up funding has continued to increase over the last three years. In 2013-14, £1.324M was allocated to both NT schools/academies and for pupils in other LA schools. This is expected to increase to £1.436M by the end of 2015-16, an

increase of £0.111M. The table below shows the movement from 2013/14 to 2015/16 for schools and post-16 providers. It shows a cost pressure of £0.459M based on the same levels as the 2015/16 forecast.

Table 1. Mainstream/ Academies & Colleges Top-up Funding 2014-14 to 2015-16				
Provision	2013-14 £M	2014-15 £M	2015-16 £M (Forecast)	Movement £M
Schools Pre and Post-16	1.324	1.402	1.436	0.111
Post-16 Provision	0.402	0.570	0.750	0.348
Totals	1.726	1.972	2.186	0.459

Note: The Schools pre-16 and post-16 figure includes all top-up funding to North Tyneside schools (including post-16), Academies and ARPs (mainly ASD provision). Post-16 provision comprises FE and Independent Schools.

The chart below shows the actual expenditure exceeded the original budget each year.



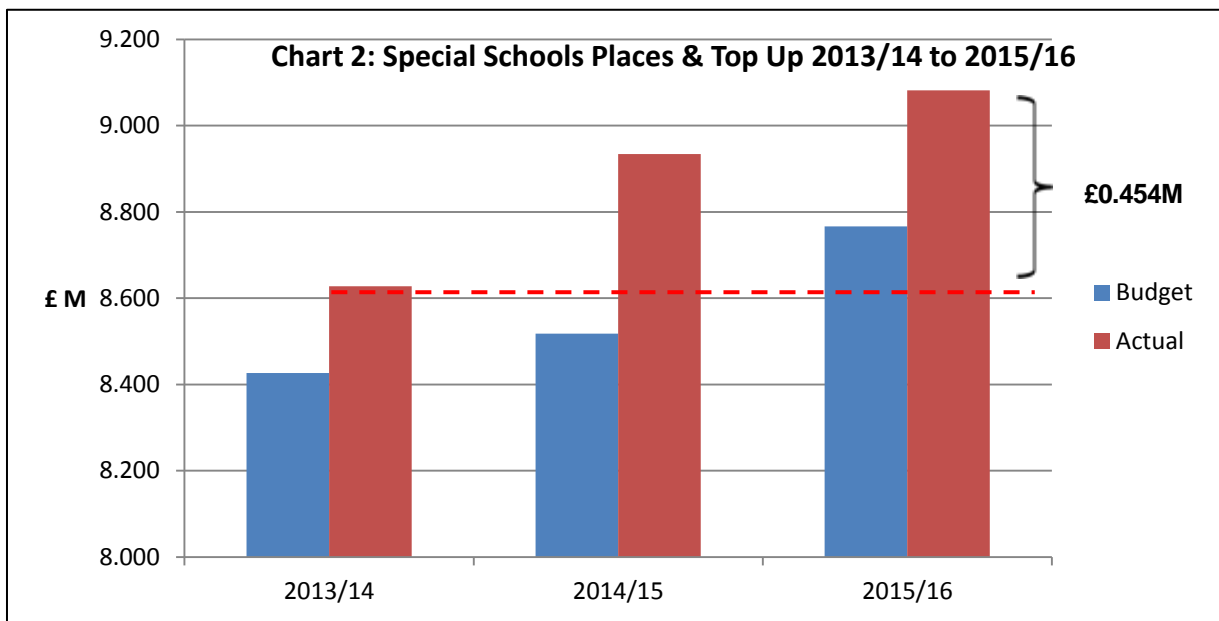
Special Schools Places and Top-Up

In addition, between 2012/14 and 2015/16 there has been a movement of £0.454M on special school places and top-up as shown in Table 2 below.

Demand has increased over that period of time from 476 places to 506 places. This increase in 30 places comes at a cost as detailed below.

Table 2. Special Schools Places and Top-Up							
	2013-14 £M	Places	2014-15 £M	Places	2015-16 £M	Places	Movement £M
Places	4.850	476	4.948	493	5.056	506	0.206
Top Up	3.777		3.986		4.025		0.248
Totals	8.627		8.934		9.081		0.454

The chart below shows that the actual expenditure exceeded the original budget each year.



Moorbridge (PRU) Places and Top-Up

There is also a pressure of £216k on places and top-up at Moorbridge as shown in Table 3 below. The number of places at Moorbridge has increased in 2014/15 by 20 to a total of 60 places. Note there is a further proposal at section 6.4.

Table 3. Moorbridge (PRU) Places and Top-Up							
	2013-14 £M	Places	2014-15 £M	Places	2015-16 £M	Places	Movement £M
Places	0.480	60	0.640	80	0.733	80	0.253
Top-up	0.680		0.736		0.643		-0.037
Totals	1.160		1.376		1.376		0.216

Note: From September 2015, the place costs have increased from £8k to £10k and the top-up costs have decreased from £8k to £6k per child.

The chart below shows that the actual expenditure exceeded the original budget in 2013/14 and 2014/15.

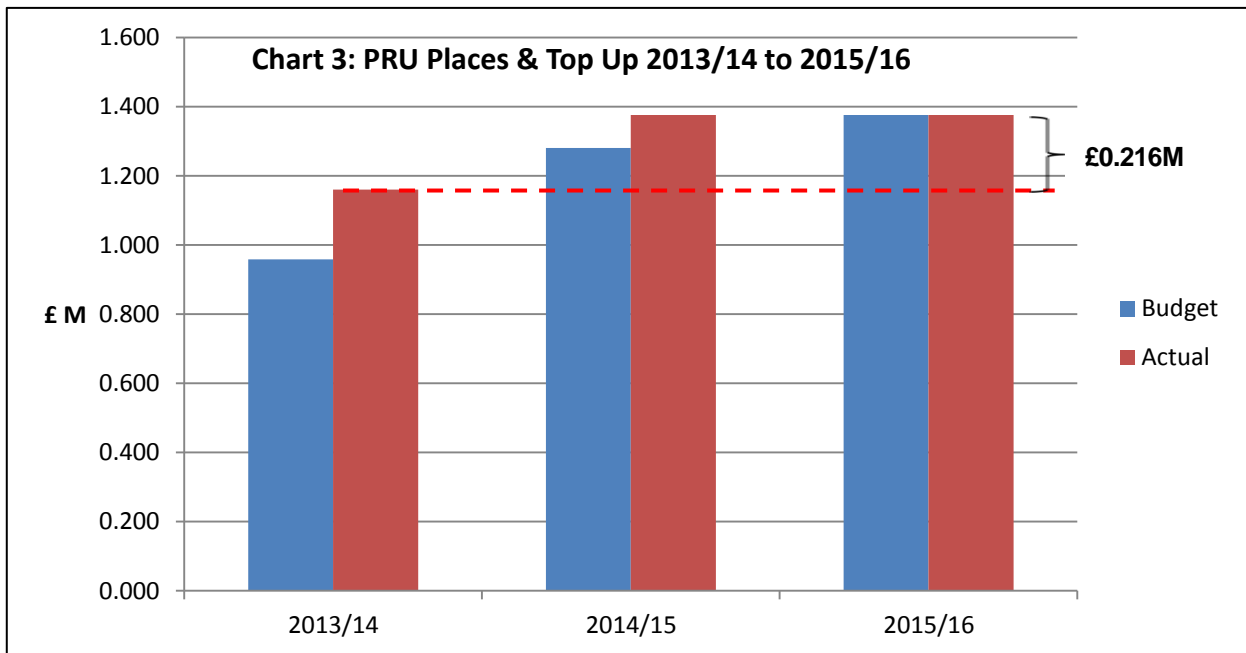


Table 4 below shows the projected High Needs Block outturn at the end of 2015/16.

Table 4. Projected High Needs Block Outturn 2015/16	
	2015-16 £M
Pre and post 16 top up pressures (see chart 1)	-0.293
Special schools places and top up pressures (see chart 2)	-0.315
DSG high needs in year adjustment and other variances	-0.578
Sub-total	-1.186
Net effect of 2014/15 pressures and block to block transfer	0.337
2015/16 net projected outturn	-0.849

The following recommendation is given to deal with the residual pressure in the 2015/16 budget.

Recommendation 1

Forum is recommended to

- Note the residual budget pressure of £0.849M for 2015/16 and its impact on setting the 2016/17 budget, and
- Note the additional pressure of £1.253M for 2016/17, this is made up of predominantly of top up pressures on the high needs block

6. Other considerations as part of the budget setting process 2016-17

This section sets out a number of recommendations from the SEN Working Group to address demand pressures, which were highlighted in the September report.

These pressures are associated with:

- Provision for children on the autism spectrum
- Increasing demands placed on the Dyslexia Service
- Provision at Key Stages 1-2 and Key Stages 3-4 for children with social, emotional and mental health problems (SEMH, formerly known as ESBD)
- Portage – Local Early Action Plus Support (LEAPS) for two year olds

6.1 Provision for Children on the Autism Spectrum

There are currently a small number of young children with ASD requiring specialist provision and there is no capacity in Special Schools. Pupils with ASD can display behavioural needs and as a result there are also a number of children who have been placed in the Silverdale Social, Emotional and Mental Health (SEMH) Primary ARP, whose prime need is ASD. These pupils are not successfully reintegrating into mainstream provision and as a result are creating a pressure for places in the SEMH Primary ARP. There is now a waiting list for the SEMH ARP.

The Support for Young Children with ASD Working Group recommends that a “deep dive” into ASD provision funded via the High Needs Block is required, in order that capacity can be realigned to meet current demand. A separate note has been prepared by the Working Group, see Appendix 2.

Recommendation 2 – See Appendix 2

Forum is recommended to endorse the proposal of the Support for Young Children with ASD Working Group that a review of ASD provision should be undertaken.

There is no additional cost to this proposal.

6.2 The Dyslexia Service

A business case for the expansion of the existing Dyslexia Team has been considered by the SEND Working Group. Alongside other benefits this will build the capacity of schools in all phases to develop a 'whole school approach' to address pupils' literacy and numeracy needs which will contribute to the inclusion agenda. A business case has been produced by the Dyslexia Service. The total additional annual cost of the proposal is £0.066M.

Recommendation 3 – See Appendix 3

Forum is recommended to approve the allocation of additional funding of £0.066M to the Dyslexia Service as part of the budget setting process for 2016-17. This funding will provide an additional full time teacher and administrative support.

6.3 Provision for children with social, emotional and mental health problems (SEMH) – Key Stage 1/2.

The capacity of the Social, Emotional and Mental Health (SEMH) Primary Provision at Silverdale was temporarily increased for 2015-16 from 24 to 36 places pending a review of the new delivery model which includes outreach work to other schools. The review has now been completed and a business case based on the lessons learned has been considered by the ESD and SEND Working Groups.

The proposal is to increase the capacity of the Silverdale Provision and Outreach Team. A business case has been prepared. The total additional annual cost of the proposal is £0.053M.

Recommendation 4 – See Appendix 4

This recommendation is in two parts.

Firstly, Forum is recommended to re-commission the service from Silverdale Social, Emotional and Mental Health (SEMH) Primary Provision in line with the arrangement previously agreed at the Forum which extended the original allocation of 24 places to 36.

Secondly, Forum is recommended to approve additional funding of £0.053M to the Silverdale Provision as part of the budget setting process for 2016-17. This funding will provide:

- Use of an additional room for Solihull Training and parents and carers
- Additional EPS time
- An additional HLTA to meet need within outreach capacity.

6.4 Provision for children with social, emotional and mental health problems (SEMH) - Key Stage 3/4.

The proposal is to consider and approve the re-alignment of the existing £117,000 for both the Whitley Bay and Seaton Burn FDR provisions to Moorbridge School as part of the budget setting process for 2016/17. No additional funding would be required to deliver the new arrangements but this would allow Moorbridge School to provide a borough wide FDR provision which is supported across the secondary school estate. As part of transferring the budget / provision to Moorbridge School this would also allow the provision of a Crisis Response and Reintegration Team.

The re-alignment of this money/ provision will also mean that existing staff will be transferred to Moorbridge School.

The business case has been considered by the ESD Working Group and the SEND Working Group.

Recommendation 5 – See Appendix 5

Forum is recommended to approve realignment of funding previously allocated to Seaton Burn (£0.025M) and the Whitley Bay Student Support Centre (£0.092M) to Moorbridge. This funding will deal with increased capacity issues at Moorbridge, create / develop the FDR service and develop a Crisis Response and Integration Team

There is no additional cost to this proposal

6.5 Portage – Local Early Action Plus Support (LEAPS) for two year olds

Following the extension of free Childcare places to 2 year olds, Schools Forum agreed to increase the funding for LEAPS by £0.025M in-year to support children identified as having SEND in early year's settings. This was funded from the Early Years Block due to an in-year under-spend.

Recommendation 6 – See Appendix 6

Forum is recommended to approve an additional £0.010M. Making a total allocation of £0.035M. This funding will:

- Meet the complex needs of children whose cases are approved by the LEAPS Panel.
- Support settings to make applications and provide guidance on maximising the benefits for the child and evaluating impact.
- Provide bespoke training and Portage training
- Support childminders working with 2 year olds
- Support settings with accreditation of national Portage Association Stamp of Approval.

7. Dealing with the budget pressures in 2016/17

The proposed 2016/17 High Needs budget requirement, based on 2015/16 projected spend, takes into account the reduction in ARP places at Wallsend Jubilee, giving a total of 150 ARP places.

The budgets for Top-up in mainstream, Special Schools and PRU are realigned to the level of 2015/16 projected expenditure.

The number of places in Special schools and Moorbridge remain at the same level as 2015/16. However, there is also a proposal to take into account of an increase the places at the Moorbridge PRU which is discussed in section 6.4.

Taking all of the above into account, the required budget would be £18.968M. This will require a transfer of funds to the High Needs Block of £1.253M at the start of 2016/17 to ensure there is a balanced budget position at the start of the academic year. The Briefing Note sets out the position in previous years where the budget has not been sufficient for planned spend in year.

Note this pressure is before any additional services / costs are considered (as detailed in recommendations 2 to 6 in this report).

Table 5 below sets out how this is calculated:

Provision	Budget Required £M
DSG based on same level as 2015/16	16.696
EFA Post-16 Grant	0.590
Extra district	0.429
Additional funds required for High Needs Block	1.253
Total	18.968

The £18.968M is further broken down by type of provision:

Provision	Budget Required £M
Planned Places Special Schools and Moorbridge	10.361
ARPs	1.796
Statement Support top-up budget (Pre and Post-16)	1.890
Education costs of out of area placements	0.997
Non Place Led Provision	3.924
Total	18.968

8. Summary of Recommendations

The resource implications of the recommendations identified in this Briefing Note are summarised as follows:

Table 7. Meeting Immediate Cost Pressures			
Immediate Cost Pressures	Implications for 2016-17 High Needs Budget £M		
	2016/17 – Option1	2016/17 – Option 2	2017/18– Option 2
Recommendation 1a – deal with the 2015/16 residual projected overspend There are two options for consideration.	0.849	0.424	0.425
Recommendation 1b – deal with the 2016/17 in year projected overspend	1.253	1.253	
Recommendation 2 – ASD Provision (Appendix 2)	No additional cost	No additional cost	
Recommendation 3 – Dyslexia Service (Appendix 3)	0.066	0.066	
Recommendation 4 – SEMH Key Stage 1/2 (Appendix 4)	0.053	0.053	
Recommendation 5 – SEMH Key Stage 3/4 (Appendix 5)	No additional cost	No additional cost	
Recommendation 6 – Portage /LEAPS for 2 year olds (Appendix 6)	0.010	0.010	
Total Additional Funding Required For the High Needs Budget 2016-17 to meet immediate cost pressures above (recommendations 1-7)	2.231	1.806	0.425
		2.231	

APPENDIX 1

SEND Working Group – Work Plan 2016/17

The SEND Working Group will continue with a programme of review work and analysis of needs and demand, on behalf of the School's Forum, which will:

- Maintain oversight of spending priorities in relation to High Needs funding,
- Assist in the strategic planning of provision across North Tyneside, working with partners, and taking a 3 to 5 year horizon.
- Help to target scarce resources on pupils with the greatest level of need,
- Assure value for money,
- Ensure that the local SEND offer evolves to meet needs
- Optimise outcomes for children and young people and
- Provide reports and recommendations to School's Forum on ways forward.

Key topics for 2016-17 and beyond

- Supporting development and implementation of the Inclusion Strategy and encouraging adoption of the principles within each school.
- Supporting thematic review work, e.g. the review of ASD provision, to enable needs and provision to be more effectively aligned.
- Supporting development of a funding model to enable resources to follow learners.
- Taking account of joint commissioning of support packages including the education, health and care needs of learners and the shift towards taking a whole-life approach to SEND learners.
- Supporting preparation for the forthcoming SEND Ofsted review.
- Reviewing the current three year monitoring cycle and reporting of findings.
- Analysing other key policy developments both nationally and regionally and ensuring a proactive response where action is needed locally.
- Developing a longer term strategy from 2017/18 on the allocation of the High Needs Block with individual provisions to ensure the resources are targeted in the right place to meet current and future needs.