
High Needs Block Budget 2018/19

Report being considered by: Heads Funding Group
On: 28/11/2017
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Item for: Decision **By:** All Forum Members

1. Purpose of the Report

- 1.1 This report sets out the current financial position of the high needs budget for 2017/18 and the position known so far for 2018/19. Options in order to make savings and balance the budget in 2018/19 are explored.

2. Recommendation(s)

- 2.1 To determine which options should be explored more fully to meet the shortfall in HNB funding for 2018-19.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction

- 3.1 Setting a balanced budget for the High Needs Block continues to be a challenge; funding received for this block has only seen minimal increases for several years, yet the demand in terms of numbers of high needs pupils and unit costs of provision has continued to rise. Place funding has remained static in spite of increasing numbers, and in 2015/16 local authorities took on responsibility for students up to the age of 25 with SEND in FE colleges without the appropriate funding to cover the actual cost.
- 3.2 Since implementation of SEND reform under the Children and Families Act 2014, there has been a 14% increase in the total number of children in West Berkshire with a Statement or EHC Plan, mainly as a result of the eligible age range extending to 25. This level of increase compares favourably with the national picture which shows an increase of 30% in Statements / EHC Plans. West Berkshire has therefore been more successful in containing statement “inflation”, but nevertheless a 14% increase has a significant impact on the budget which has remained static.
- 3.3 Up until 2016/17, West Berkshire was setting a balanced high needs budget which included a significant contingency built in. 2015/16 was the first year that the budget overspent, with the contingency all used up. A decision was made to set a deficit budget for the first time in 2016/17, firstly because the Government was consulting on reforms to high needs funding, and secondly to allow the work being carried out on driving costs down to take effect.
- 3.4 In 2017/18 several savings were made in the high needs budget, and a deficit of £584k was set. The deficit was planned to reduce to £76k in 2018/19 and to be

repaid in full within two years, provided costs did not continue to increase significantly.

- 3.5 The pressure on the high needs budget is a national issue, and many local authorities have significant over spends and have also set deficit budgets, some with no firm plans to recover the deficit.
- 3.6 Tables 2, 3, 4 and 5 in Appendix A show where the predicted 2018-19 costs exceed 2017-18 budgets.
- 3.7 The net shortfall in the 2018-19 HNB budget, as estimated at this stage, is **£670,980**. This includes a carried forward overspend of £500,750 in the current financial year.
- 3.8 The budgets within the 2018-19 HNB which are predicted to exceed 2017-18 budgets are
- Independent and non maintained special schools
 - Resourced units in maintained schools and academies
 - Non West Berkshire resourced units
 - Non West Berkshire special schools
 - West Berkshire maintained special schools
 - Non West Berkshire mainstream schools
- 3.9 Details of the services paid for from the high needs budget and the corresponding budget information are set out in Appendix A, together with an explanation of the reasons for budget increases.
- 3.10 £70,000 was awarded in 2017-18 for the purposes of conducting a review of High Needs Block expenditure and provision. Most of this funding will be used to fund a full time SEND Strategy Officer who has recently been recruited on a fixed term 12 month contract. The remainder will be used to support the review in other ways which are necessary, such as specific pieces of targeted work requiring additional capacity or specific expertise.
- 3.11 £500,000 has been allocated over a three year period to support SEND capital projects. This funding may be used to create additional capacity in PRUs for children who have Education, Health and Care Plans and have a primary need of Social, Emotional and Mental Health difficulties (SEMH). This will help to reduce pressure for places in independent and non-maintained SEMH school.

4. Summary Financial Position

- 4.1 The latest estimate of expenditure in the High Needs Block budget for both 2017/18 and 2018/19 is set out in Table 1. This is first draft stage, and will be refined over the next few months, particularly in relation to the largest variable element, which is top up funding. The figures are based on all services continuing at current staffing levels and contract costs, with no change in the funding rates for top ups and the current/known number and funding level of pupils.

- 4.1 Most of the DSG allocation for the high needs block is now confirmed. Part of it is estimated and will be based on the actual number of pupils in special schools in the October 2017 census, and import/export adjustments based on the January 2018 census and February 2018 ILR. A funding increase of 0.5% on baseline is expected in 2019/20.

TABLE 1	2017/18 Budget £	2017/18 Forecast £	2018/19 Estimate £	2019/20 Estimate £
Place Funding	6,339,660	6,339,660	5,772,500	5,772,500
Top Up Funding	10,456,350	10,455,630	10,995,550	10,995,550
PRU Funding (top ups only)	875,870	875,870	623,950	623,950
Other Statutory Services	1,441,990	1,452,820	1,428,080	1,428,080
Non Statutory Services	798,580	798,580	839,820	839,820
Support Service Recharges	145,640	145,640	145,640	145,640
Total Expenditure	20,058,090	20,068,200	19,805,540	19,805,540
HNB DSG Allocation – confirmed	20,056,230	20,056,230	17,004,140	17,088,740
HNB DSG Allocation - estimated			2,631,170	2,631,170
HNB DSG C/F	-488,780	-488,780	-500,750	-670,980
Total DSG Funding	19,567,450	19,567,450	19,134,560	19,048,930
Shortfall	-490,640	-500,750	-670,980	-756,610

- 4.2 Expenditure for 2017/18 is currently forecast to be approximately £10k in excess of the revised budget of -£491k and currently stands at -£500,750. Any overspend at year end will need to be met from the 2018/19 grant.
- 4.3 Taking this into account, there is a shortfall of **£670,980** in the 2018/19 HNB. This figure may change. The position will be clearer at the time of the next report to the Heads Funding Group / Schools Forum, both in terms of the 2017-18 out turn (and therefore the sum to be carried forward) and also the 2018-19 budget requirements. However, there is likely to be a significant shortfall in the budget which will need to be addressed.
- 4.4 Appendix A sets out the detail of the budgets included within the High Needs Block, and the reasons for the pressure on the 2018-19 HNB budget.
- 4.5 Options available in order to make savings will be considered in more detail at the next meeting of the Heads Funding Group / Schools Forum. However, the Forum is asked to take a view at this stage on the options which it would like to be explored in more detail. Options are set out in Appendix B.

5. Conclusion and Recommendations

- 5.1 The Heads' Funding Group concluded that it was not realistic or desirable to attempt to save the full shortfall in 2018-19, and that to do so may be making unnecessarily severe cuts given that a large proportion of the shortfall is made up of a carried forward overspend.
- 5.2 It was recommended that savings of £220,000 should be identified, which represents the portion of the shortfall which relates to ongoing costs plus 10% of the remainder.

- 5.3 There were no specific preferences at this stage with regard to which areas should be considered for savings. Officers were asked to bring a range of options to the next meeting.

6. Appendices

Appendix A - High Needs Budget Detail

Appendix B – Saving Options

High Needs Budget Detail

1. PLACE FUNDING – STATUTORY

- 1.1 Place funding is agreed by the Education and Skills Funding Agency (ESFA) and has to be passed on to the institution, forming their base budget. Academy and post 16 places are included in the initial HNB allocation but the agreed place numbers are then deducted and paid to the institution direct (DSG top slice). From 2018/19 pre 16 resource unit place funding is reduced from £10,000 to £6,000 per place, and each pupil within the unit is included in the main school formula funding allocation. As a result of these changes there will be a reduction to the funding received in 2018/19. However, the school will need to receive the full £10k funding for any unfilled places, so this does not necessarily have a neutral impact.
- 1.2 The ESFA is not funding any overall increases to places, although in West Berkshire the actual number of places occupied is greater than the number funded and there continues to be an increase in demand for places in special schools. **Table 1** currently shows no increase to special school planned places, as there is no additional planned place funding to allocate unless there is surplus planned place funding in other institutions which can be reallocated. If no place funding can be released from other institutions, and if it is decided that additional planned places should be funded at the special schools, this is a pressure on the High Needs Block.

TABLE 1 – Place Funding Budgets	2017/18 Budget			2018/19 Estimate		
	No. of Places Funded by EFA	£	Current No. of Pupils	No. of Places Funded (from 1/9/17)	£	Proposed No. of Places funded for 18/19
Special Schools – pre 16 (90540)	286	2,860,000	311	286	2,860,000	286
Special Schools – post 16 (DSG top slice)	79	790,000	85	79	790,000	79
Resource Units Maintained – pre 16 (90584)	35	350,000	30	35	210,000	35
Resource Units Academies – pre 16 (DSG top slice)	84/92	886,660	79	92	562,500	95
Mainstream Maintained – post 16 (DSG top slice)	8	48,000	9	8	40,000	6
Mainstream Academies – post 16 (DSG top slice)	22/14	100,000	11	14	80,000	13
Further Education	95	570,000	142	95	570,000	95
PRU Place Funding (90320)	84/66	735,000	69	66	660,000	66
TOTAL	675	6,339,660	736	675	5,772,500	675

- 1.3 Work is currently underway to determine, as far as possible, the likely numbers in special schools, resourced schools and mainstream sixth forms in September 2018.

These figures can never be totally accurate as assumptions have to be made about which pupils will leave and which will join.

- 1.4 When the September 2018 position is clearer, it may be necessary to consider whether planned places at any of the resourced units should be reduced, if numbers have been consistently below planned places.
- 1.5 The ESFA requires a return from the Local Authority in November each year of any planned places changes at academies and post 16 providers. No additional places are given as a result of this exercise, so if an increase in planned places is needed at one establishment it has to be offset by a reduction elsewhere.
- 1.6 Additional places will be required at Fir Tree ASD resource which opened in September 2017 and also at the Trinity ASD Resource which is growing in size.

2. TOP UP FUNDING – STATUTORY

- 2.1 Top up funding is paid to the institutions where we are placing pupils who live in West Berkshire (we do not pay our institutions top up funding for pupils who live outside West Berkshire). **Table 2** shows the budget and forecast for 2017/18 and the estimate for 2018/19.

TABLE 2	2016/17 Budget		2017/18 Budget			2018/19	
Top Up Budgets	Budget £	Outturn £	Budget £	Forecast £ (Month 07)	Over/ (under) £	Estimate £	Difference 17/18 budget & 18/19 prediction
Special Schools Maintained (90539)	3,142,550	3,108,617	3,237,280	3,237,280	0	3,289,720	52,440
Non WBC special schools (90548)	1,068,100	904,043	1,086,890	1,050,990	-35,900	1,155,385	68,495
Resource Units Maintained (90617)	367,910	306,091	202,620	202,620	0	229,570	26,950
Resource Units Academies (90026)	546,760	483,102	768,370	768,370	0	853,440	85,070
Resource Units Non WBC (90618)	50,000	34,037	55,000	100,440	45,440	100,000	45,000
Mainstream Maintained (90621)	480,420	526,027	534,010	534,010	0	531,560	-2450
Mainstream Academies (90622)	184,790	184,101	191,410	191,410	0	188,640	-2770
Mainstream Non WBC (90624)	66,220	61,217	66,960	91,540	24,580	91,540	24,580
Non Maintained Special Schools (90575)	750,950	790,410	891,130	845,500	-45,630	915,100	23,970
Independent Special Schools (place & top up) (90579)	1,683,500	1,588,161	2,012,700	2,023,490	10,790	2,202,120	189,420
Further Education (90580)	832,650	753,033	1,309,980	1,309,980	0	1,338,480	28,500

Disproportionate HN Pupils (90627)	127,690	114,033	100,000	100,000	0	100,000	0
TOTAL	9,301,540	8,852,862	10,456,350	10,455,630	-720	10,995,555	539,205

2.2 Most top up budgets are under pressure, with the type of placement creating pressure shown below in order of cost.

- Independent and non maintained special schools
- Resourced units in maintained schools, academies and non West Berkshire resourced units
- Non West Berkshire special schools
- West Berkshire maintained special schools
- FE placements
- Non West Berkshire mainstream schools

2.3 The predictions of cost for 2018-19 take in to account known pupils whose needs can no longer be met in local schools, together with some cases which are due to go to the SEND Tribunal. It is not possible to predict all pupils who may need placements in 2018/19. The figures assume a middle ground between the best case scenario and the worst case scenario (financially) in terms of Tribunal outcomes.

2.4 Independent and non maintained special schools

The number of out of area placements for children with SEMH (Social Emotional and Mental Health difficulties) is increasing, in part due to two maintained SEMH schools in other Local Authorities having gone in to special measures. Where pupils had to be removed from these schools, every effort was made to accommodate them locally, for example at Engaging Potential or PRUs, but some had to be placed in independent or non maintained special schools. Inability to use these schools has also impacted on new placements which have had to be made. There is also increasing pressure for primary SEMH placements.

There is less pressure for external ASD placements now that the Trinity and Fir Tree ASD resources are available, although there continue to be some very challenging pupils who require more specialist provision.

Hearing impairment is another pressure area as several families move in to West Berkshire each year whose children have Mary Hare School named in their Statement or EHC Plan.

The number of cases which go to the SEND Tribunal is increasing, and we are seeing Tribunals becoming increasingly sympathetic to the “waking day curriculum” argument in favour of residential special schools for children with ASD.

2.5 Resourced units in maintained schools and academies

Top up costs for children in resourced units in both maintained schools and academies in West Berkshire have risen, partly due to the expansion of ASD resourced provision and also due to some very high need pupils being placed in our resourced schools this year. However, in both cases this is seen as a positive as the additional pupils in resourced schools and the very high needs pupils placed this year

would all have been otherwise placed in more expensive independent special school placements.

2.6 Non West Berkshire resourced units

Top up costs have increased for non West Berkshire resourced units as we have been able to access a new provision in Bracknell called The Rise at Garth Hill School for children with ASD who cannot manage much integration with mainstream peers / classes and are therefore unsuitable for our own resourced provision. This is a very cost effective option for these pupils who would otherwise have been placed in non maintained or independent specialist provision.

2.7 Non West Berkshire special schools

This increase reflects the ongoing need for placements in specialist Free Schools for children with ASD, such as Forest Bridge School and Thames Valley Free School. Whilst expansion of our own ASD resources and access to The Rise in Bracknell have reduced our need for specialist ASD placements, there continues to be a need for these placements for children with the most challenging behaviours. Special free schools are usually more cost effective than independent and non maintained special schools.

2.8 West Berkshire maintained special schools

West Berkshire maintained special schools continue to be under pressure, with more children in the moderate learning difficulties range moving out of mainstream. The special schools do not receive funding for all of their planned places, due to inadequate planned places being allocated by the ESFA. Where pupils are placed over and above the planned place number, some planned place funding is allocated but is taken from the special school top up budget, which is another reason for the pressure.

2.9 FE Placements

The main reason for the pressure in 2018-19 is two very costly specialist FE College placements which the Council was ordered to make by the SEND Tribunal.

2.10 Non West Berkshire mainstream schools

This increase in cost relates to pupils with EHC Plans who have moved over the West Berkshire border from neighbouring Local Authorities but have opted to remain at their original school. This budget pays for a relatively small number of pupils so can be subject to significant fluctuations.

3. PUPIL REFERRAL UNITS (PRU) – STATUTORY

- 3.1 **Table 3** shows the budgets for PRU top ups. The decision by Schools' Forum for 2017/18 was to continue with the 2016/17 top up rate and not introduce increased charges for schools. The 2018/19 estimate assumes that schools will be responsible for the full payment of places they commission.

TABLE 3 PRU Budgets	2016/17 Budget		2017/18 Budget			2018/19	Difference 17/18 budget & 18/19
	Budget £	Outturn £	Budget £	Forecast £ (Month 07)	Over/ (under) £	Estimate £	

							prediction
PRU Top Up Funding (90625)	1,033,340	1,292,642	875,870	875,870	0	623,950	-251,920
Non WBC PRU Top Up Funding (90626)	0	0	0	0	0		
TOTAL	1,033,340	1,292,642	875,870	875,870	0	623,950	-251,920

3.2 It is likely the 2017/18 budget is going to overspend due to the number and length of placements. The proposal for schools to pay for their places in full from 2018/19 is being challenged. A separate report setting out revised proposals for 2018/19 is being considered.

4. OTHER STATUTORY SERVICES

4.1 **Table 4** details the budgets for other statutory services. There is a net reduction in cost across these services due to savings made in the Sensory Consortium Service.

TABLE 4	2016/17 Budget		2017/18 Budget			2018/19	
Other Statutory Services	Budget £	Outturn £	Budget £	Forecast £ (Month 07)	Over/ (under) £	Estimate £	Difference 17/18 budget & 18/19 prediction
Applied Behaviour Analysis (90240)	76,130	77,947	76,000	76,000	0	75,000	-1,000
Sensory Impairment (90290)	238,800	198,866	215,710	226,540	10,830	199,750	-15,960
Engaging Potential (90577)	540,260	476,407	455,160	455,160	0	456,000	840
Equipment for SEN Pupils (90565)	20,000	18,660	10,000	10,000	0	12,000	2,000
Therapy Services (90295)	324,430	293,320	267,460	267,460	0	267,460	0
Elective home Education Monitoring (90288)	27,840	22,751	27,660	27,660	0	27,870	210
Home Tuition Service (90315)	300,000	358,551	345,000	345,000	0	345,000	0
Hospital Tuition (90610)	20,000	43,107	45,000	45,000	0	45,000	0
TOTAL	1,547,460	1,489,609	1,441,990	1,452,820	10,830	1,428,080	-13,910

4.2 Applied Behaviour Analysis (ABA)

4.2.1 This budget supports a small number of children with Statements / EHC Plans for whom the Authority has agreed an ABA programme as part of their statement. ABA is an intensive intervention programme for children with autism which aims to modify behaviours which are typical of ASD in order to allow children to function more successfully in school and in society.

4.2.2 This budget also covers the cost of children with Statements / EHC Plans accessing other bespoke educational packages where this is the most appropriate and cost effective way of meeting their needs.

4.3 Sensory Impairment

4.3.1 Support for children with hearing, visual and multi sensory impairments is purchased from the Berkshire Sensory Consortium Service. This includes support from qualified teachers of HI and VI, audiology and mobility support. The service supports children with and without Statements / EHC Plans.

4.3.2 It has been possible to reduce the cost of this service by almost £16,000 per annum by reducing the frequency of visits to children with moderate hearing impairment.

4.4 Engaging Potential

4.4.1 Engaging Potential is an independent special school commissioned to provide alternative educational packages for 14 young people in Key Stage 4. Students placed at Engaging Potential are those who have Statements or EHC Plans for social, emotional and mental health difficulties and whose needs cannot be met in any other provision. This can include young people who have been excluded from specialist SEMH schools. Two places are currently sold to other Local Authorities. (The budget required for the service takes this income in to account). The unit cost of a place at just under £38K represents good value for money compared to other independent schools for SEMH which typically start at around £70K per annum. The small increase in cost for 2018-19 relates to premises costs.

4.5 Equipment for SEN Pupils

4.5.1 This budget funds large items of equipment such as specialist chairs and communication aids for pupils with Statements / EHC Plans.

4.5.2 The budget has been reduced twice in previous HNB savings programmes and now stands at £10,000. Equipment is now only purchased for children attending mainstream and resourced schools; special schools are expected to fund these large items of equipment from their own budgets. Since the beginning of this financial year, mainstream schools have been charged a 50% contribution to equipment, as agreed by the Schools Forum. In spite of these measures, the budget is likely to overspend in 2017-18 so it is recommended that a small increase of £2,000 be allowed in the 2018-19 budget.

4.6 Therapy Services (Contract with Berkshire Healthcare Foundation Trust)

4.6.1 The therapy services budget covers the costs for children with SEN who have speech and language therapy or occupational therapy in their Statements or EHC Plans. This budget moved to the HNB in 2015/16.

4.6.2 Therapy services are provided by the Authority solely to children who have the need for a service stipulated and quantified in their Statement or EHC Plan. It is a statutory duty for the Local Authority to provide these therapies in these circumstances.

4.7 Elective Home Education Monitoring

4.7.1 The elective home education monitoring service consists of one part time teacher who monitors children who are electively home educated. There is a statutory duty to monitor arrangements for EHE made by parents.

4.8 Home Tuition

4.8.1 The Home Tuition Service is a statutory service providing home tuition to children with medical conditions and illness that prevent them accessing full-time school. It is currently commissioned by WBC from the iCollege which provides all management.

4.9 Hospital Tuition

4.9.1 Hospital tuition is a recent addition to HNB funding. WBC is now obliged to pay the educational element of specialist hospital placements, usually for severe mental health issues. These placements are decided by NHS colleagues and we have little influence over the placement or duration of stay. We are negotiating with the settings to ensure we are only charged for the education a young person actually receives and would benefit from.

5. NON STATUTORY Services

5.1 **Table 5** details the non statutory service budgets for 2016/17, 2017/18 and estimates for 2018/19. The latest forecast is that in the majority of cases these budgets should be on-line. These services are non statutory so there is more potential scope to make savings, although a reduction in any of these budgets is likely to increase pressure on statutory budgets.

5.2 The table shows the budget for these services in 2018/19 assuming that the services continue and there are no changes to staffing levels.

5.3 In addition there is a proposal that a grant of £40,000 is considered as a new call on the High Needs Block. Further details are given in paragraph 5.12 below.

TABLE 5 Non Statutory Services	2016/17 Budget		2017/18 Budget			2018/19	Difference 17/18 budget & 18/19 prediction
	Budget £	Outturn £	Budget £	Forecast £ (Month 7)	Over/ (under) £	Estimate £	
Language and Literacy Centres LALs (90555)	116,200	116,200	116,200	116,200	0	116,200	0
Specialist Inclusion Support Service (90585)	70,000	70,000	50,000	50,000	0	50,000	0
PRU Outreach Service (90582)	117,000	117,000	77,000	77,000	0	77,000	0
SEN Pre School Children (90238)	50,210	41,880	In Early Years Block	0	0	0	0
Cognition & Learning Team (90280)	272,440	271,247	311,840	311,840	0	315,370	3,530
ASD Advisory Service (90830)	139,720	137,806	139,560	139,560	0	141,250	1690
Vulnerable Children	60,000	36,021	63,980	63,980	0	60,000	

(90961)							-3980
Early Development and Inclusion Team (90287)	Met by EY block	0	40,000	40,000	0	40,000	0
Dingley's Promise (New pressure)		0		0	0	40,000	40,000
TOTAL	865,570	806,824	798,580	798,580	0	839,820	41,240

5.4 Language and Literacy Centres (LALs)

5.4.1 This budget funds the primary LALs at Theale and Winchcombe schools. The LALs provide intensive literacy support for primary children with severe specific literacy difficulties. 48 places per year are available across the two LALs.

5.4.2 Referrals for LAL places usually exceed places available by approximately 24 per year.

5.5 Specialist Inclusion Support Service

5.5.1 This service provides outreach support from West Berkshire's special schools to mainstream schools to support the inclusion of children with learning and complex needs in their local mainstream schools.

5.5.2 This budget has been subject to reductions in the previous two financial years with the special schools providing the service absorbing the cost.

5.6 PRU Outreach

5.6.1 The PRU Outreach Service offers consultancy / outreach support mainly to students who have been attending the iCollege and are starting to attend a mainstream school. Schools may request Outreach for any pupil causing concern but it is dependent on capacity.

5.7 SEN Pre School Children

5.7.1 This budget provides one to one support to enable children with SEN to access non maintained and voluntary pre- school settings.

5.8 Cognition and Learning Team

5.8.1 The Cognition and Learning Team (CALT) provides advice, support and training to mainstream schools to help them to meet the needs of children with SEN.

5.8.2 Many primary schools are reliant on this service to supplement their own SEN provision and expertise, especially schools where the Head has to act as SENCO or where there is an inexperienced SENCO.

5.8.3 This is a partially traded service. All schools receive a small amount of free core service, but the majority of support now has to be purchased by schools.

5.9 ASD Advisory Service

5.9.1 The ASD Advisory Service provides advice, support and training for mainstream schools on meeting the needs of children with Autistic Spectrum Disorder. The purpose of the service is to enable children with ASD to be successfully included in mainstream schools wherever possible.

5.9.2 The context for this service is vastly increasing numbers of children with ASD diagnoses and mainstream schools having more and more difficulty meeting the needs of these children. The majority of our placements in non West Berkshire special schools, independent special schools and non maintained special schools are for children with ASD.

5.10 Vulnerable Children

5.10.1 The Vulnerable Children Fund is a small budget used to help schools support their most vulnerable pupils on an emergency, unpredicted or short term basis.

5.10.2 The budget has gradually been reduced from £120K over the past few years. The criteria have strengthened, with funding allocated for shorter periods and fewer extensions. However this is a well used resource that helps schools support vulnerable pupils with complex needs.

5.11 Early Development and Inclusion Team

5.11.1 The service comprises of 1.7 teachers who are specialists in early years and SEND. Children under 5 who are identified by Health professionals as having significant SEND are referred to this service. Staff initially visit children in their homes (if they are not yet in an early years setting) in order to promote their educational development and model strategies and resources for parents to use to support their child's progress.

5.11.2 EDIT teachers also assist with the transition to early years settings and schools, providing support and training for staff to help them to meet the child's needs, and continuing to visit for a period of time to provide ongoing support and advice. They also help to coordinate support which the family is receiving from other professionals.

5.11.3 The service is currently supporting approximately 100 children. It has been reduced in size in recent years from 3.4 to 1.7 staff.

5.12 Dingley's Promise

5.12.1 Dingley's Promise is a charitable organisation which provides pre school provision for children under 5 with SEND in West Berkshire, Reading and Wokingham. It is the only specialist early years SEND setting in the private, voluntary and independent early years sector in West Berkshire. It provides an alternative to mainstream early years settings, where experience and expertise in SEND can vary greatly. Parents are able to take up their early years entitlement at Dingley's Promise, rather than at a mainstream early years setting, if they wish. However, Dingley's Promise are only able to claim the standard hourly rate for providing the early years entitlement as mainstream settings, in spite of offering specialist provision, higher ratios and more one to one support.

5.12.2 In Reading and Wokingham the Local Authority gives a grant to Dingley's Promise from the HNB to top up the hourly rate, in recognition of their specialist offer. This has not historically happened in West Berkshire and the service is consequently running at a loss and may cease to be viable in this area without some Council funding. Dingley's Promise as an organisation is active in funding raising and seeking grants but these sources of funding are unreliable.

5.12.3 An option would be to place these children at our maintained special schools as an alternative to supporting Dingley's Promise, but this would have the following disadvantages:

- We would still need to provide planned place and top up funding to the special school for these children
- This would increase numbers in our special schools both in the short term and the longer term, at a time when there is already significant pressure for places
- Parents may not yet be ready to consider special school for their child

5.12.4 If Dingley's Promise closes, children may be admitted to mainstream early years settings which may struggle to meet their needs. Alternatively, parents may choose to keep them at home until they reach statutory school age, which could result in primary schools receiving children with SEND who are ill prepared for the transition to school. Parents may also seek EHC Plans earlier than they might otherwise have done, with associated costs to the HNB budget.

5.12.5 It is acknowledged that the HNB budgets are under pressure for 2018-19, but it is recommended that the allocation of grant to Dingley's Promise is considered to avoid the loss of this resource and potential increased spend in other areas of the HNB.

Appendix B

Savings Options

Option 1 – Set a deficit budget in 2018/19

The savings plan for 2017/18 assumed there would still be a deficit in 2018/19, to be repaid by 2019/20. This strategy could be maintained.

Option 2 – Transfer costs to other funding blocks in the Dedicated Schools Grant.

This is always a theoretical possibility, although other funding blocks in the DSG are also under pressure.

Option 3 – Reduce number of places eligible for place funding

If the number of pupils on roll at resourced units is consistently below the number of places being funded, there is the option to reduce the number of places being funded and to transfer this place funding to special schools/units that are consistently above their place numbers e.g. the special schools. This would then reduce the additional top up payments that are made for additional places and included in the budget figures. Most resourced units are operating at or close to capacity, but there could be some limited scope to reduce places.

Implications / Risks:

- (1) Redundancy costs would be incurred.
- (2) The number of pupils needing a placement may go back up and experienced staff will have been lost. Possible placements for September 2018 will need to be considered very carefully before any decisions are made.

Option 4 – Reduce top up funding

Although possible, any reduction in top up funding would be subject to minimum funding guarantee. It should also be noted that top up funding was reduced last year as part of the 2017-18 HNB savings programme.

Implications / Risks:

- (3) Impact on school budgets as provision set out in Statements/EHC Plans would still have to be made.
- (4) Possible difficulty in placing high needs pupils.
- (5) Significant risk of legal challenge/judicial review if schools reduced provision for pupils with Statements / EHC Plans as a result of reduced top up funding.

Option 5 – Sensory Impairment

A saving has been made in 2017-18 as a result of reducing the number of annual visits for children with moderate hearing impairment.

It is not possible to make further reductions without compromising the needs of children with sensory impairment. Visits for pupils who do not have a Statement or EHC Plan have already been reduced to a minimum level which is acceptable. Visits for children who have Statements or EHC Plans have been set at a level which is deemed necessary to give them access to the curriculum.

The only potential option for savings would appear to be charging schools for the SCS service which is provided for children who do not have a Statement or EHC Plan.

Implications / Risks:

- (1) This could create a perverse incentive for schools and parents to seek EHC assessments / plans for children who have a sensory impairment, with associated costs.
- (2) Additional pressure on schools budgets.

Option 6 – Equipment

The budget for equipment in schools for children with SEND is currently £10K and will be exceeded in the current financial year even though schools are now paying 50% of the cost of equipment.

The budget could be reduced further if schools funded 100% of the cost of equipment for pupils with Statements / EHC plans.

Implications / Risks:

- (1) Increased funding pressures on schools
- (1) Risk of budget overspend e.g. if a small school genuinely can't fund an expensive item and there is a statutory duty to provide it

Option 7 – Therapy Services

The service includes speech and language therapy and occupational therapy for children with Statements / EHC Plans. There is a statutory duty to provide these services to children who have a need for speech and language therapy or occupational therapy written in to their Statement or Education, Health and Care Plan as an educational need.

A saving was made on this budget in 2016-17 by reducing speech and language therapy to two resourced units which are under numbers currently, and reducing speech and language therapy to the special schools by half a day of therapy each, which the special schools are now funding from their own budgets.

The service is being retendered for 2018-19 and the contract is being offered at 5% less than the current contract cost.

Option 8 – Home Tuition Service

Home Tuition on medical grounds is a statutory requirement, currently commissioned by WBC from the iCollege which manages the service. This was part of the PRU consultation and a subsequent decision has been made to retain the link with the iCollege in 2017/18, whilst consideration is given to its longer term future and delivery model.

Currently the Home Education budget is showing online but awaiting the latest update from the iCollege. The iCollege are looking at options appraisals for savings. One possible strategy is to charge schools for any pupils using the service who are no longer there on statutory grounds.

Implications/Risks:

The service is a statutory requirement and therefore cannot be removed entirely.

If the budget is reduced for 2018/2019:

- (1) Pupils may not receive their statutory entitlement to 'as close to full-time' as they can manage
- (2) Individual tuition would need to be accessed on-line. This could have an impact on KS4 results.
- (3) Young people will receive less input from trained adults.
- (4) Young people would have less access to trained adults that would aim to reintegrate them into their mainstream schools and develop their social and emotional skills.

The Home Education review is the subject of another report.

Option 9 - Language and Literacy Units (LALs)

LALs offer specialist part time provision for primary pupils with significant specific literacy difficulties.

It would be possible to close both LALs or close one LAL or retain both LALs but operate them on a part time (50%) basis. Another option would be to retain the LALs but make them self funding with places purchased by schools, but this would create another funding pressure on schools.

Implications / Risks:

- (1) LAL places would be lost altogether or reduced by 50%. There is a risk of increased EHC requests from parents and schools for children who are unable to access a LAL place. This is considered to be a high risk and would impact directly on the Mainstream School Top Up budget.
- (2) Risk of appeals to the SEND Tribunal for specialist school placements, with associated costs.

- (3) Risk of increased cost to schools in making specialist provision for children who would have attended LAL.
- (4) Risk that children will not have their needs met if schools are not able to replicate the quality and intensity of provision with LALs offer.
- (5) Redundancy costs would be incurred.
- (6) Feedback suggests that LALs are highly regarded by parents and schools. Their closure would create significant negative publicity.

Option 10 – Specialist Inclusion Support Service

This service supports children with learning difficulties and associated needs in mainstream schools. The budget for this service was reduced from £70,000 to £50,000 in 2017-18. Consideration could be given to removing or reducing this service further.

Implications / Risks:

- (1) Possibility of schools / parents seeking more special school placements, with associated costs.
- (2) Children / staff in mainstream schools unable to access suitable support.
- (3) Additional pressure on other SEN services such as CALT and the ASD Service.

Option 11 – PRU outreach

From Sept 2017 an outreach facility is part of the iCollege.

A cut of £80k was made to this separate budget in 2015/16, with a further cut of £40,000 in 2017/18. As this is not statutory it could be cut entirely. However this is not advisable due to the implications outlined below.

Implications/Risks

- (1) Increase in the number of permanent exclusions
- (2) Less support to schools in reintegrating young people who have been permanently excluded from another school
- (3) Greater demand for iCollege places

Option 12 – CALT Team

The CALT Team has been working to an income target since April 2015 which has achieved a saving in the HNB. Evaluations of the service are consistently very positive, but some schools report they cannot afford to buy the service or to buy as much support as they would like.

Staffing has been reduced in 2016-17 in order to bring the expenditure in the trading budget in line with the likely income to be generated by the team.

It is likely to be realistic that an increased income target could be met. Savings could only be made by reducing the size of the service.

Implications / Risks:

- (1) The core service provided free to all schools who do not buy in would be reduced or removed
- (2) Reduced support for children and impact on levels of SEN expertise and training of staff in schools.
- (3) Possible increase in EHC requests, with associated costs.

Option 13 – ASD Teachers

The ASD Advisory Service provides advice, support and training for mainstream schools on meeting the needs of children with Autistic Spectrum Disorder. The purpose of the service is to enable children with ASD to be successfully included in mainstream schools wherever possible.

Given that the greatest pressure on the HNB is children moving from mainstream to specialist ASD schools, it is strongly recommended that this service is not reduced.

Implications / Risks if the service were to be reduced:

- (1) No or reduced support for schools in meeting the needs of children with ASD. Evidence suggests that children with ASD present the greatest challenge to mainstream schools compared to children with other types of SEND.
- (2) Pressure for EHC Assessments and Plans for children with ASD who are not currently statemented, with associated costs
- (3) Increase in demand for placements in specialist ASD schools, with associated costs. This is considered to be a very high risk.

Option 14 – Vulnerable Children

The Vulnerable Children's Fund of £60k pa is a highly appreciated, relatively small fund, especially for small schools who have unexpected additional financial pressures due to in-year admissions of children with challenging behaviour. It is specifically devised to promote social inclusion, reduce exclusions and take the pressure off SEN budgets by providing temporary funding.

It is possible to remove completely or reduce the fund i.e. only being available for primary schools and / or funding given for shorter periods, or no funding extensions. The criteria have been strengthened, with funding allocated for shorter periods and fewer extensions.

Previously, Heads Funding Group has indicated its reluctance to further reductions of this fund.

Implications/ Risks:

If schools, particularly smaller primary schools, cannot access this support in the future it could lead to:

- (1) Increased movement between schools, with schools being asked to admit more pupils with behaviour difficulties
- (2) Higher exclusion figures
- (3) Pressure on the iCollege as more schools ask for primary placements at Inspiration
- (4) Greater pressure on the costs associated with EHC plans and expensive statutory provision
- (5) Increased pressure on the capacity of specialist support services