

Notice of Meeting

Schools Forum

Monday, 22nd January 2018 at 5.00pm
at Shaw House Church Road Newbury
RG14 2DR

Date of despatch of Agenda: Tuesday, 16 January 2018

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Jessica Bailiss on (01635) 503124
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Agenda - Schools Forum to be held on Monday, 22 January 2018 (continued)

Forum Members: Reverend Mark Bennet, Ben Broyd, Anthony Chadley, Jonathon Chishick, Catie Colston, Jacquie Davies, Chris Davis, Lynne Doherty, Antony Gallagher, Keith Harvey, Reverend Mary Harwood, Angela Hay, Alan Henderson, Jon Hewitt, Lucy Hillyard, Peter Hudson, Brian Jenkins, Mollie Lock, Patrick Mitchell, Helen Newman, Chris Prosser, David Ramsden, Graham Spellman (Vice-Chairman), Bruce Steiner (Chairman), Suzanne Taylor, Keith Watts and Charlotte Wilson

Agenda

Item for Discussion

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Andy Day
Head of Strategic Support

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West Berkshire
C O U N C I L

High Needs Block Budget 2018/19

Report being considered by: Schools Forum
On: 22/01/2018
Report Author: Ian Pearson, Michelle Sancho, Jane Seymour
Item for: Discussion **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.
- 1.2 Options in order to make savings and balance the budget in 2018/19 are presented for consideration.

2. Recommendation(s)

- 2.1 To take a view on the implementation of some or all of the savings proposed by Heads Funding Group as set out in Appendix C, in order to reduce the forecast deficit for the High Needs Block by up to £289,800 in 2018/19 and £311,800 in 2019/20. The final decision will need to be taken at the March meeting.

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, which 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 **£978,400**. This includes a carried forward overspend of £499,510 in the current financial year.
- 3.8 This figure exceeds the original estimated overspend which at the time of the previous report was estimated to be £670,980. The reasons for the discrepancy are:
- A pressure of £130,400 created as a result of the new national formula for funding resourced schools
 - Two new additional specialist placements
- 3.9 It should also be noted that this figure does not include another newly identified pressure of £50,000 or £100,000 for the West Berkshire maintained special schools, which is explained more fully in paragraphs 2.5 and 2.6 of Appendix A. A decision needs to be made on whether to increase the payment to special schools for additional planned places which are over and above their planned place allocation. Currently these are funded at £5,000 per additional planned place rather than the full £10,000 planned place value. It is recommended that a compromise position is reached whereby additional planned places are funded at £7,500 per place, which would create an additional budget pressure in 2018-19 of £50,000. This would increase the shortfall in the 2018-19 HNB budget from £978,400 to **£1,028,400**.
- 3.10 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
- 3.11 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.
- 3.12 £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.

- 3.13 A detailed SEND Review has been initiated, incorporating the HNB Review. This will involve schools, parents and other stakeholders and will lead to the production of a revised West Berkshire SEND Strategy by July 2018, following consultation with all relevant parties. One of the strands of the strategy will be reducing demand for specialist placements by building capacity in local mainstream schools, reviewing support available to schools and also creating more local provision.
- 3.14 £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 schools.

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. 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.
- 4.2 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 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	5,918,800	5,918,800
Top Up Funding	10,456,350	10,455,630	11,211,510	11,211,510
PRU Funding (top ups only)	875,870	875,870	623,950	623,950
Other Statutory Services	1,441,990	1,451,580	1,428,200	1,428,200
Non Statutory Services	798,580	798,580	833,920	833,920
Support Service Recharges	145,640	145,640	127,290	127,290
Total Expenditure	20,058,090	20,066,960	20,143,670	20,143,670
HNB DSG Allocation – confirmed	20,056,230	20,056,230	18,809,780	17,088,740
HNB DSG Allocation - estimated			855,000	2,631,170
HNB DSG C/F	-488,780	-488,780	-499,510	-978,400
Total DSG Funding	19,567,450	19,567,450	19,165,270	18,741,510
Shortfall	-490,640	-499,510	-978,400	-1,402,160

- 4.3 Expenditure for 2017/18 is currently forecast to be approximately £499,510 in excess of available funding. Any overspend at year end will need to be met from the 2018/19 grant.
- 4.4 Taking this into account, there is a shortfall of £978,400 in the 2018/19 HNB.

- 4.5 It should also be noted that this figure does not include another newly identified pressure of £50,000 or £100,000 for the West Berkshire maintained special schools. See paragraph 3.9 above and also paragraphs 2.5-2.6 of appendix A.
- 4.6 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.
- 4.7 Options available in order to make savings are set out in Appendix B.
- 4.8 The Schools Forum agreed on 11th December 2017 that a deficit budget should be set, but that savings of £220,000 should be identified in order to decrease the size of the deficit. Heads Funding Group on the 10th January 2018 then reviewed the savings options and have recommended that the list of savings set out in Appendix C should be considered and/or implemented.

5. Appendices

Appendix A – High Needs Block Budget Detail

Appendix B – High Needs Block Savings Options

Appendix C – Recommended List of Savings

High Needs Block 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	238,000	35
Resource Units Academies – pre 16 (DSG top slice)	84/92	886,660	79	92	680,800	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	5,918,800	675

- 1.3 Planned places have been reduced for 2018-19 where resourced units or mainstream sixth forms had surplus places, but the planned place funding which

was released was required for the new ASD resourced provision, so there has been no funding gain. Additional places are required at Fir Tree ASD resource which opened in September 2017 and also at the Trinity ASD Resource which is growing in size.

1.4 Where an institution requires planned place funding in excess of the number of planned places agreed by the ESFA, the additional funding is taken from the relevant top up budget.

1.5 Since the previous report, the financial implications of the new method of funding resourced units has been factored in. Unfortunately the effect is a further reduction of funding compared to the funding which the resources require, which has created an additional pressure of £130,400.

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 Top Up Budgets	2016/17 Budget		2017/18 Budget			2018/19
	Budget £	Outturn £	Budget £	Forecast £ (Month 08)	Over/ (under) £	Estimate £
Special Schools Maintained (90539)	3,142,550	3,108,617	3,237,280	3,237,280	0	3,300,420
Non WBC special schools (90548)	1,068,100	904,043	1,086,890	1,050,990	-35,900	1,098,070
Resource Units Maintained (90617)	367,910	306,091	202,620	202,620	0	273,840
Resource Units Academies (90026)	546,760	483,102	768,370	768,370	0	857,810
Resource Units Non WBC (90618)	50,000	34,037	55,000	100,440	45,440	107,000
Mainstream Maintained (90621)	480,420	526,027	534,010	534,010	0	541,560
Mainstream Academies (90622)	184,790	184,101	191,410	191,410	0	185,170
Mainstream Non WBC (90624)	66,220	61,217	66,960	91,540	24,580	75,000
Non Maintained Special Schools (90575)	750,950	790,410	891,130	845,500	-45,630	840,100
Independent Special Schools (place & top up) (90579)	1,683,500	1,588,161	2,012,700	2,023,490	10,790	2,436,400
Further Education (90580)	832,650	753,033	1,309,980	1,309,980	0	1,396,140
Disproportionate HN Pupils (90627)	127,690	114,033	100,000	100,000	0	100,000
TOTAL	9,301,540	8,852,862	10,456,350	10,455,630	-720	11,211,510

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 The figures in this report for non-maintained and independent special school fees are higher than in the previous report as two additional pupils have been identified who require specialist placements.

2.5 The cost of top ups in West Berkshire maintained special schools is showing as the same as in previous reports, but there is a newly identified pressure which needs to be given consideration. Currently, where the number of pupils placed exceeds the number of planned places funded, the schools are not allocated the full £10,000 place funding. They are allocated the top up funding for the child plus £5,000 per place over the planned places. The special schools are unique in this; where resourced schools have children over their planned places they are allocated the full £10,000 place funding. The special schools are both reporting that this shortfall in planned place funding, together with the cut to the value of bandings in 2017-18, the decision that special schools now have to fund all equipment from their own budgets and the decision that they would also have to purchase some of their speech and language therapy from their own budgets, plus significant pay rises for non teaching staff, has left them in an unsustainable financial position. The special schools have requested the full £10,000 place funding for all of their pupils who exceed their planned places.

2.6 If planned places at the special schools are funded at £10,000 per place, this represents an additional pressure of £100,000 and if they are funded at £7,500 per place, this represents an additional pressure of £50,000.

2.7 **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 has traditionally been low in West Berkshire but is now increasing. Some placements are made as a result of Tribunal direction.

2.8 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.

There has also been an increase in the cost of this provision due to a new national formula for funding resourced units which creates a shortfall in funding from the ESFA for this type of provision.

2.9 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.

2.10 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.

2.11 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 currently 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, 50% of the planned place funding is allocated and is taken from the special school top up budget, which is another reason for the pressure.

As explained in paragraph 2.5, the special schools are in financial difficulty due to

- the shortfall in planned place funding
- the cut to the value of bandings in 2017-18
- the decision that special schools now have to fund all equipment from their own budgets in 2016-17
- the decision in 2017-18 that they would also have to purchase some of their speech and language therapy from their own budgets
- significant pay rises for non teaching staff

Consideration therefore needs to be given to funding places in excess of planned places at the full £10,000 per place or at £7,500 per place, which will create an additional funding pressure.

2.12 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.

2.13 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
	Budget £	Outturn £	Budget £	Forecast £ (Month 08)	Over/ (under) £	Estimate £
PRU Top Up Funding (90625)	1,033,340	1,292,642	875,870	875,870	0	623,950
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

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 Other Statutory Services	2016/17 Budget		2017/18 Budget			2018/19
	Budget £	Outturn £	Budget £	Forecast £ (Month 08)	Over/ (under) £	Estimate £
Applied Behaviour Analysis (90240)	76,130	77,947	76,000	76,000	0	75,000
Sensory Impairment (90290)	238,800	198,866	215,710	227,040	11,330	199,750
Engaging Potential (90577)	540,260	476,407	455,160	462,790	7,630	456,000
Equipment for SEN Pupils (90565)	20,000	18,660	10,000	10,000	0	12,000
Therapy Services (90295)	324,430	293,320	267,460	271,090	3,630	267,460
Elective home Education Monitoring (90288)	27,840	22,751	27,660	24,660	-3,000	27,990
Home Tuition Service (90315)	300,000	358,551	345,000	345,000	0	345,000
Hospital Tuition (90610)	20,000	43,107	45,000	35,000	-10,000	45,000
TOTAL	1,547,460	1,489,609	1,441,990	1,451,580	9,590	1,428,200

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.

4.4 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 £30,000 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
	Budget £	Outturn £	Budget £	Forecast £ (Month 08)	Over/ (under) £	Estimate £
Language and Literacy Centres LALs (90555)	116,200	116,200	116,200	116,200	0	116,200
Specialist Inclusion Support Service (90585)	70,000	70,000	50,000	50,000	0	50,000
PRU Outreach Service (90582)	117,000	117,000	77,000	77,000	0	77,000
SEN Pre School Children (90238)	50,210	41,880	In Early Years Block	0	0	0
Cognition & Learning Team (90280)	272,440	271,247	311,840	311,840	0	319,170
ASD Advisory Service (90830)	139,720	137,806	139,560	139,560	0	141,550
Vulnerable Children (90961)	60,000	36,021	63,980	63,980	0	60,000
Early Development and Inclusion Team (90287)	Met by EY block	0	40,000	40,000	0	40,000
Dingley's Promise (New pressure)		0		0	0	30,000
TOTAL	865,570	806,824	798,580	798,580	0	833,920

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 supported to avoid the loss of this resource and potential increased spend in other areas of the HNB.

High Needs Block 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 funding from other funding blocks in the DSG.

This is always a theoretical possibility, although other funding blocks in the DSG are also under pressure. Many other local authorities are transferring funding from the schools block in 2018/19 in order to fund shortfalls in the high needs block. The decision was taken not to do this in 2018/19 in order to move schools straight onto the National Funding Formula rates rather than phase this in. However, this does not preclude considering this action for 2019/20, in order to pay back the underlying 2017/18 deficit of £500k. If Schools' Forum agree to this approach, this will be subject to consultation with all schools in Autumn 2018, and modelling of the impact on schools. The likely impact will be no increases to the minimum funding guarantee, it would not mean a reduction in funding rates which will remain at the national level, but it depends how much funding is received for business rates in the schools block DSG in 2019/20.

Option 3 – 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:

- (1) Impact on school budgets as provision set out in Statements/EHC Plans would still have to be made. Special schools in particular are reporting financial difficulties associated in part with the reduction in top up funding.
- (2) Possible difficulty in placing high needs pupils.
- (3) 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.

It is not recommended that further reductions to top up funding are made.

Option 4 – Sensory Impairment

Efficiency savings have been made in this budget in 2016-17 and 2017-18.

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. This could raise income of approximately **£27,000**.

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 5 – 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
- (2) 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 6 – 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. This could achieve a saving of approximately **£13,000**.

Option 7 – 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.

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

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 in the shorter term, pending the review of the service, would be to charge schools for any pupils using the service who are no longer there on statutory grounds. This could potentially achieve income of around **£10,000**.

Implications/Risks:

- (1) Additional pressure on school budgets.

Option 8 – iCollege top up funding

The 2018/19 budget assumed that from April 2018, schools commissioning places at iCollege would pay for the top up in full, irrelevant of duration i.e. there would be no subsidy from the high needs (HN) block. The HN block would continue to pay the full top up for permanent exclusions and sixth form. The budget included in the 2018/19 estimate is £623,950 based on the HN block paying in full for 34 places throughout the year.

Given concerns raised by schools about ability to pay for places and possible impact on their budgets, at the December 2017 meeting of the Schools' Forum it was requested that a menu of options be provided in order to determine the subsidy (if any) that could be given to schools from April 2018, by referencing the impact on both the HN block and individual schools. The following table shows a range of subsidy options. The figures are based on an assumed total budget for iCollege in 2018/19 of just under £2m and on the current composition of placements (20 of which are permanent exclusions or sixth form, hence the additional saving if no subsidy is given to schools). Further details of the calculations are shown in Annex A.

Subsidy from HN Block	HN Block Saving (or additional cost)	Additional annual cost for a secondary placement
0% (original proposal)	£265,850	£14,850
10%	£173,430	£12,830
20%	£81,020	£10,820
25%	£34,810	£9,820
30%	(£11,400)	£8,810
40%	(£103,820)	£6,810
50%	(£196,240)	£4,790

Savings of **£173,430**, **£81,020** or **£34,810** could be achieved if the 10, 20 or 25% options are agreed, but bear in mind that this is based on the autumn placements, and the numbers are increasing.

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 which would generate a saving of **£67,783** in 2018-19 and £116,200 in future financial years.

Another option would be to close one LAL or retain both LALs but operate them on a part time (50%) basis. This option would generate a saving of **£33,891** in 2018-19 and £58,100 in future years.

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. The full cost of a place would be in the region of £2,500 per annum.

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. This is considered to be a high risk and would impact directly on the budget for Non-maintained and Independent Special School places.
- (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.
- (7) If LALs are retained but become self-funding, there could be inequity of provision as pupils would only be able to access the LALs if their schools were able and willing to pay.

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.

Removal of the service would generate a saving of **£50,000**.

Reducing the service by half would generate a saving of **£25,000**.

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. The budget is now £77,000 and could be reduced to £50,000, making a saving of **£27,000**.

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
- (2) 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 unlikely to be realistic that an increased income target could be met. Savings could therefore only be made by reducing the size of the service. Reducing by 0.5 of a post would make a saving in the region of **£27,500**. Reducing by a full time post would make a saving in the region of **£55,000**.

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. Reduced support for SENCOs.
- (3) Reduced capacity to address concerns about some mainstream schools' SEN provision raised by parents in the 2017 Parent SEN Survey.
- (4) 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 do not currently have EHCPs, 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, but a reduction of **£15,000** could be considered.

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
- (4) Increased pressure on the capacity of specialist support services

Appendix C

High Needs Block Recommended Savings

Heads Funding Group on the 10th January 2018 considered the full list of savings set out in Appendix B and proposed that the list of savings given below should be considered by Schools Forum for implementation. These savings have been categorised as follows:

A Saving agreed

B Possible saving subject to further discussion

C Avoid making if at all possible

Saving Category Agreed by Heads Funding Group 10-1-18			A	B	C	A	B	C
Savings Option No	Service Area	Saving agreed by Heads Funded Group	2018-19/Part Year Saving			2019-20/Full Year Saving		
			£000	£000	£000	£000	£000	£000
4	Sensory Impairment	Charge schools for sensory impairment support for children without Statement or EHC plan		27.0			27.0	
5	Equipment	Schools to meet full cost of equipment for children with SEND		10.0			10.0	
6	Therapy	Aim to negotiate a 10% saving through retendering	26.7			26.7		
7	Home Tuition on Medical Grounds	Charge schools for places for children receiving home tuition not on statutory grounds	10.0			10.0		
7	Home Tuition on Medical Grounds	Achieve 10% efficiency saving in provision of the home tuition service	34.5			34.5		
8	i College Top Up Funding	Subsidy from high needs block to be reduced to 20%, with schools to meet remainder of cost	81.0			81.0		
9	LALs	Schools to be charged 50% of LAL places taken up by their pupils with effect from September 2018	33.8			58.1		
10	Specialist Inclusion Support Service	Reduce the service by 50%	25.0					
11	PRU Outreach	Further reduction in the size of the service with effect from September 2018	15.8			27.0		
12	CALT Team	Reducing the size of the team by 0.5 post with effect from September 2018	16.0			27.5		
14	Vulnerable Children	Reduction in the size of the fund			10.0			10.0
	Total		242.8	37.0	10.0	264.8	37.0	10.0
	Total categories A & B			279.83			301.8	
	Total categories A, B & C				289.8			311.8