

TO: SCHOOLS FORUM
DATE: 14 MARCH 2019

FINAL BFC PROPOSALS FOR THE 2019-20
HIGH NEEDS BLOCK ELEMENT OF THE SCHOOLS BUDGET
Executive Director: People

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek comments on the final budget proposals for the High Needs Block (HNB) element of the Schools Budget that are being presented now by the Council. There are also a small number of decisions for the Forum to take in line with the statutory funding framework.
- 1.2 Comments are being sought so that they can be considered before the Executive Member makes the formal decision on these matters on 21 March.

2 EXECUTIVE SUMMARY

- 2.1 The HNB funds support for children and young people with the most challenging educational requirements. It is the most complex part of school funding framework, with budgets needing to be set before a number of funding allocations are confirmed by the Department for Education (DfE).
- 2.2 Whilst the total cash increase for the Bracknell Forest (BF) HNB was 1.8% in 2018-19 and is forecast to be a further 3.1% in 2019-20, the underlying allocation to BF provides £2.592m less than the previous arrangements. Should the current funding “floor” protection be removed, or reduced, then there could be up to a 16% reduction in funding. Managing such a change will present a significant challenge.
- 2.3 Whilst a small under spending is currently forecast for 2018-19, significant cost pressures have emerged which increase when projected across a full year into 2019-20. The final budget proposals now being presented for comment forecast a funding shortfall of £0.144m. This is expected to be managed through the change programme being developed in consultation with the Schools Forum High Needs Block Sub-Committee.

3 RECOMMENDATIONS

That the Forum considers the HNB budget proposals from the council and AGREES:

3.1 That the Executive Member:

- 1. sets the total initial Dedicated Schools Grant funded budget at £15.409m, it incorporates the changes set out in the supporting information and Annex 3, and relevant budgets are therefore updated to those summarised in Annex 4.**
- 2. Notes the £0.144m budget gap that will need to be managed in-year through the change programme.**

3. approves a **Minimum Funding Guarantee for Kennel Lane Special school of plus 0.5%**, the same amount as for mainstream schools (paragraph 6.13).

3.2 That there are appropriate arrangements in place for:

1. The education of pupils with SEN (paragraph 6.15), and
2. The use of pupil referral units and the education of children otherwise than at school (paragraph 6.15).

3.3 The terms of reference for the Schools Forum HNB Sub-Committee, as set out in Annex 6.

4 REASONS FOR RECOMMENDATIONS

- 4.1 To ensure that the 2019-20 HNB Budget is set in accordance with the overarching funding framework, the expected needs of pupils and the views of the Schools Forum.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 A range of options have previously been presented and discussed.

6 SUPPORTING INFORMATION

Background

- 6.1 This report presents final proposals from the council on the use of the HNB element of the Dedicated Schools Grant (DSG). Paragraphs 6.2 to 6.4 repeat the information presented to the Forum in January and are included as reminder of the HNB funding framework.
- 6.2 The HNB element of the DSG supports pupils with special educational needs and disabilities (SEND) and is intended to fund a continuum of provision for relevant pupils and students from 0-24. LAs receive funding for these provisions from the DfE and in general commission services from providers. In-house arrangements are made in a relatively small number of areas.
- 6.3 The DfE has determined that where the cost of provision is above £10,000 it will be classified as high needs. In such circumstances, a “place-plus” approach to funding will generally be used which can be applied consistently across all providers that support high needs pupils and students as follows:
- a. **Element 1 or “core education funding”**: equivalent to the age-weighted pupil unit (AWPU) in mainstream schools, which the DfE has stated the national average is around £4,000.
 - b. **Element 2 or “additional support funding”**: a budget for providers to deliver additional support for high needs pupils or students with additional needs of up to £6,000.

Specialist and Alternative Providers (AP), such as special schools and Pupil Referral Units (PRUs) only cater for high needs pupils and therefore receive

a minimum £10,000 (Element 1 funding plus Element 2) per agreed place.

- c. **Element 3, or “top-up funding”**: funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil’s or student’s assessed needs. This element is paid to all provider types, for pupils with assessed needs above the £10,000 threshold.

6.4 Additionally, HNB DSG is also intended to be used where high needs provisions are not arranged in the form of places e.g. specialist support for pupils with sensory impairments, or tuition for pupils not able to attend schools etc.

6.5 The statutory regulatory framework requires the council to decide on the arrangements to be put in place for the HNB and associated resources and for the Forum to comment on their appropriateness. The council wishes to develop the services during the year in partnership with schools and is therefore creating a sub-committee of the Forum to gather views and help shape arrangements. Final budget decisions are expected to be taken by the Executive Member for Children, Young People and Learning on 21 March.

Progress to date

6.6 The 17 January meeting of the Forum received initial budget information and agreed some preliminary actions as follows:

- Significant cost pressures had emerged during 2018-19, which at the November 2018 budget monitoring cycle, indicated that without the unexpected additional grant income received in year from the Department for Education (DfE) of £0.549m, that the HNB would over spend by £0.380m
- BF faced a funding reduction of £2.596m (16%), should the HNB funding framework developed by the DfE be fully implemented.
- In the immediate short term, the HNB national funding formula would allocate an additional £0.493m grant income to BF in 2019-20, which reflected the government’s recognition “... of the cost pressures that LAs are experiencing on the high needs element of this Grant [the DSG]”.
- Uncertainties remained around two key elements of the HNB funding formula: the basic entitlement factor of pupils in SEN institutions; and the import/export adjustment that ensures appropriate funding is moved between LAs to reflect cross-border movements of students, both of which would need to be estimated and subject to change in-year.
- Taking account of information currently available, the HNB DSG to be retained by BFC was estimated at £15.409m.
- That the council would reflect on the potential benefits of new flexibility introduced by the DfE to encourage LAs and post-16 institutions to work together in making special provision for students before proposing any potential changes from 2020.
- That reflecting on the available information, there was an initial budget gap of £0.288m that needed to be tackled.
- That the emerging cost pressures and potential future reductions to HNB income indicated that the council needed to make preparations to determine whether a request to transfer up to 0.5% of Schools Block DSG (circa £0.325m) into the HNB would be made for the 2020-21 budget.

- That to ensure greater involvement of the Schools Forum in planning for and making relevant budget proposals for the HNB, that a sub-committee would be established to work with officers of the council, with all Forum members invited to attend the initial set-up meeting.

Update from last meeting

6.7 The budget requirement for all HNB areas have again been reviewed and the following changes from those reported in January are now being proposed:

- 1 Funds delegated to Kennel Lane Special School (KLS). Planned pupil placements for KLS are subject to fluctuation, with a number of recent changes agreed or expected to be agreed before the start of the financial year. The budget requirement has been increased by £0.016m.
- 2 Maintained schools and academies. Further work has been undertaken with schools hosting SEN Resource provisions with agreed funding for the Autistic Spectrum Disorder provision at Garth Hill College reducing by £0.032m from a revised staffing structure and the Speech and Language provision at Meadow Vale Primary reducing by £0.100m from 10 fewer places being provided to reflect current demand, which is around 10. The planned contribution of £0.030m to the SEN Resource Provision Reserve has been removed as the year end Reserve balance is estimated at £0.460m and is considered sufficient at this time. A number of other minor changes have also been made, with a net reduction of £0.150m.
- 3 Other SEN Services. A small number of budgets have revised to reflect current spend and future expectations, with a net aggregate reduction of £0.010m.

Overall, these proposed changes reduce the anticipated budget requirement by £0.144m compared to the initial proposals, meaning the budget gap has reduced in half to £0.144m.

Annex 2 sets out more information on the calculation of the budget requirement for the significant HNB services which has previously been reported to the Forum, with Annex 3 detailing the budget amounts for each service, with cells shaded where amounts have been updated from January.

Annex 4 details a summary of the proposed HNB budgets for 2019-20.

6.8 In terms of anticipated income, there have been no further updates from the DfE in respect of the likely HNB DSG income and the estimate of available funds therefore remains unchanged at £15.409m.

Management of the forecast budget gap

6.9 Budget management will be moving from an historic based focus to one that centres on need. Provisions need to be based on quality, controlled through more robust and imaginative commissioning. This means specialist provisions need to be reviewed to establish how closely they match to local needs and to assess their impact in terms of quality related outcomes for children and young people. The SEN banding system, definitions and thresholds will also be reviewed.

- 6.10 Significant benefits will be achieved from a better understanding of provision gaps, in particular:
- What provision gaps exist in terms of meeting local needs? Data will be interrogated on those children/young people who are educated out of borough.
 - What can be created in-borough instead which is value for money and deliverable through scheduled capital programmes?
 - To what extent can some of our children/young people be transitioned back into local provisions?
 - When is it value for money to retain out of borough placements?
 - Can costs be driven down through strategic commissioning rather than spot purchasing. E.g. using a dynamic purchasing framework for placements and regional commissioning.
 - Have a medium term budget plan (3 years) rather than a reactive approach reliant on spot purchasing.
 - Develop a skilled work force across the local area through appropriate training and professional development

6.11 These key activities are expected to deliver financial and other benefits that will manage down the current forecast budget gap. The Schools Forum will be directly involved in this work through High Needs Block Sub-Committee, the establishment of which was supported at the previous meeting. Annex 6 sets out the terms of reference for this group which the Forum is asked to review and agree a final version of.

Other matters

6.12 As in previous years, the budget setting process also needs to consider a local rate of the Minimum Funding Guarantee (MFG) – the mechanism used by the DfE to ensure each school receives the minimum increase or maximum decrease in funding each year – for Kennel Lane Special (KLS) School.

6.13 In order to afford mainstream schools the maximum amount of funding protection during the introduction of the School National Funding Formula, the Forum agreed the maximum plus 0.5% increase for mainstream schools and the same plus 0.5% is proposed for KLS, although different rates are permitted. The DfE has set the permitted range of MFG from between minus 1.5% and plus 0.5%.

6.14 The calculation involves comparing the change in total budget between years – BF and other LA funded costs –and the relevant calculation shows a 1.58% increase in funding (from £4.511m to £4.582m) which exceeds the minimum permitted protected level of funding of 0.5%. Annex 5 sets out more information on the MFG and budget pressure calculations specific to KLS.

Next steps

6.15 The views of the Schools Forum regarding the final 2019-20 budget proposals from the council will be considered, and where agreed, included in the final budget proposals that will be presented for approval by the Executive Member on 21 March. Based on the expectation that changes will be made to service provisions during the year through the partnership work with schools and other providers, the Forum is recommended to

agree that appropriate arrangements are in place for the education of pupils with SEN and use of pupil referral units and the education of children otherwise than at school.

- 6.16 As previously reported, in the current financial circumstances of significant cost increases, the council will have to consider needing to make a request to transfer up to 0.5% - around £0.35m – from the Schools Block Budget into the HNB. The earliest this will take place is from 2020-21 and preparations need to commence now for that possibility. There is no certainty that such a transfer will be required, but considering this possibility now ensures maximum time is available to determine the likely cost position and to undertake a full consultation with all schools to gather views.

7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 7.1 The relevant legal issues are addressed within the main body of the report.

Director of Finance

- 7.2 The financial implications anticipated from this report are set out in the supporting information. The indicated budget gap of £0.144m will need to address during the course of next year.

Equalities Impact Assessment

- 7.3 The budget proposals ensure funding is targeted towards vulnerable groups and an EIA is not required.

Strategic Risk Management Issues

- 7.4 The funding reforms, and the demographic growth and legislative pressures present a number of strategic risks, most significantly:

1. The practical implementation of the changes arising from the funding reforms may be different from that anticipated from the DfE guidance notes
2. Insufficient funding to cover increases that may occur in-year in the required number of high needs places.
3. Price increases by providers.
4. The ability of the market to absorb an increasing number of high needs pupils.

- 7.5 Based on current information, the budget proposals are considered appropriate, however, cost reductions do need to be achieved during the year. There remains £0.660m of unallocated balances in the Schools Budget to support any significant, unexpected costs, on a one-off basis, should they arise.

8 CONSULTATION

Principal Groups Consulted

- 8.1 Relevant Heads of Service within People Directorate and the People Directorate Management Team.

Background Papers

None.

Contact for further information

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Overview of HNB Funding Framework

DfE Reforms

The Forum has previously received an update on changed funding arrangements for HNB services which reported that a new National Funding Formula (HNB NFF) will be introduced to replace the current system that largely allocates funding based on historic spending decisions. The core elements of funds distribution to LAs now comprises:

1. **Basic entitlement** (£4,000 per pupil / student that the LA is responsible for educating that is attending an SEN institution)
2. **Historic spend** (50% of 2017-18 baseline amount agreed with each LA)
3. **Population** (Share of national budget allocation based on projected 2-18 year olds at the relevant mid-year as a proportion of all 2-18 year olds)
4. **Free school meals** (Share of national budget allocation based on resident pupils eligible to FSM as a proportion of all pupils eligible to FSM)
5. **Income Deprivation Affecting Children Index** (Share of national budget allocation based on number of 2-18 year olds in IDACI bands A-F as a proportion of all pupils in IDACI bands A-F)
6. **Bad health** (Share of national budget allocation based on number of resident children aged 0-16 in bad or very bad health in the general population census as a proportion of all projected children in bad or very bad health)
7. **Disability** (Share of national budget allocation based on number of resident children aged 0-16 for whom parents are eligible to disability living allowance (DLA) as a proportion of all eligible DLA families)
8. **Key Stage 2 low attainment** (Share of national budget allocation based on number of resident pupils who did not attain level 3 in reading tests plus those that did not attain a scaled score in reading test or were not entered as a proportion of all relevant children)
9. **Key stage 4 low attainment** (Share of national budget allocation based on number of resident pupils who did not attain 5 GCSEs at grades A* to G as a proportion of all relevant children).
10. **Hospital education** (LA specific funding based on budgeted spend)

One of the key outcomes for the DfE from these reforms is to ensure that any change in the amount of funding allocated to individual LAs must be introduced slowly to allow those areas facing reductions time to adjust to the new amounts. This is because expenditure is mainly incurred on educational fees and these generally remain unchanged throughout the course of each pupil's time in the relevant institution which often presents commitments for over 10 years. Therefore, in addition to the core factors set out above, there will be further adjustments to each LAs HNB funding as follows:

1. A funding floor adjustment to add the cash amount difference where the normal operation of the HNB formula does not deliver at least a 0.5% increase in per head (2-18 year old population) funding compared to the 2017-18 baseline amount of expenditure. For 2019-20 a further minimum increase of 0.5% will be applied, making a minimum 1% increase in per head funding over the next 2

years. In order to make the funding protection affordable, gains will be limited to 3% in 2018-19 and a further 3% in 2019-20 (compounded to 6.09% over the 2 years). These increases are not calculated on elements of the formula that are subject to later updates, and are in proportion to estimated population changes (so a projected decrease in population will result in a lower overall cash percentage increase, subject to a cash protection).

There is a net £155m cost to the Funding Floor in 2019-20, which amounts to 2.5% of total funding and illustrates the importance of moving to the new formula in a measured way.

For LAs experiencing a reduction in population, there will be a second funding floor adjustment to ensure total cash funding does not fall below the 2017-18 baseline amount. Note, the funding floor adjustment is not applied to the basic entitlement factor i.e. current numbers of high needs pupils and students or the import / export adjustment (see note 2. directly below) as the DfE want to ensure that year on year changes in these factors are reflected in a LAs funding.

2. An import / export adjustment so those LAs sending out more pupils to other LAs lose £6,000 per pupil funding to reflect the requirement of the resident LA to finance all place funding in the SEN institutions in their area, irrespective of which LA places the student. This amount is added to the £4,000 per pupil / student funding included in the main formula to achieve the £10,000 place funding cost. This is a lagged adjustment. LA funding allocations are adjusted from January census data, but actual places purchased will generally be based on actual student numbers taking up places during the year.

This removes some of the unfairness in the previous funding system where LAs did not generally make a contribution to Element 1 and 2 costs for their students in institutions in other LAs.

An area cost adjustment will be applied where relevant (7.44% uplift for BFC) to all factors other than historic spend as this will already reflect local cost variations. This recognises additional costs in some areas, most notably enhanced salary payments in and around London, and follows the same approach adopted by the DfE in the funding reforms introduced for mainstream schools. The HNB area cost adjustment comprises 2 elements: one for non-teaching staff; and another for teaching staff. As the ratio of teaching to non-teaching staff in special schools is different from that in mainstream schools, this calculation is different to that used in the School NFF (where the BFC area cost adjustment is 5.61%).

The Forum has previously been advised that the new HNB NFF will deliver significantly less funding to BF than the current arrangements. A July 2018 update from the DfE indicated £2.592m funding protection for BFC, which is around 16% of total funding which clearly illustrates the importance of the funding floor adjustment from a BF perspective.

Changes from the DfE for 2019-20

Special free schools

From 2019-20 onwards, funding for special free school places will be included in LAs high needs allocations rather than continuing to be funded separately by the DfE. Funding for these places will be deducted from LAs high needs allocations and paid directly to schools, as for special academies. The DfE indicates that the basic entitlement factor, the import/export adjustment and further adjustments in the national

funding formula will ensure that this change will not result in an unfunded cost for local authorities. These further adjustments relate to LAs with a special free school which will now receive £10,000 for every place at the free school and LAs exporting to free schools receiving £6,000 to pay for Element 2 costs. There are no Special free schools located within BF although BF resident pupils are placed in 2 free schools in other LAs.

Hospital education

The DfE are considering making changes to the funding of hospital education, to replace the current factor equivalent to LA planned spending in 2017-18, plus a 1.0% uplift with a formulaic hospital education factor in the high needs national funding formula, that takes into account both LA spending data and NHS data and therefore better responds to the number of patients needing education. A decision has yet to be taken on whether this will be in place for 2019-20 with the DfE indicating that any changes would not result in any LA seeing a reduction in the hospital education factor amounts included in the provisional 2019-20 funding allocation. There are no hospital education facilities in BF, with £0.020m funding currently being received to purchase out of area support.

Post 16 high needs funding

From August 2019, funding for post-16 HN places in maintained schools (including maintained special schools) and pupil referral units (PRUs) will remain in the DSG paid to LAs, rather than being deducted from LA DSG allocations and paid back in the same amount as sixth form grant. This makes the funding arrangements simpler and has no practical effect, as LAs already have flexibility to make changes to maintained schools (including maintained special schools) and PRU place numbers by agreeing these place numbers directly with schools and funding them without reference to the DfE.

The DfE will also allow an LA to reach agreement with a mainstream maintained school or academy with a sixth form, a PRU or AP academy with a sixth form, a sixth form or FE college or an independent learning provider (ILP), that the institution's Element 2 funding can be calculated and paid in a different way directly by the authority, provided the institution is in agreement with the change and it is only intended to meet Element 2 costs, with top ups still paid separately when the assessed cost on an individual's need exceeds the £10,000 DfE threshold.

This flexibility is being introduced to encourage LAs and institutions to work together in making special provision for their students. DfE has indicated examples of alternative approaches could be:

1. An agreement to fund a college directly a lump sum per year over 3 years, to provide certainty to the local authority and college on the level of provision and funding that will be made, subject to specified tolerances relating to the actual number of students with high needs receiving support
2. An agreement that a school sixth form will be funded for its students with SEND on the basis of similar proxy measures as are in the local pre-16 funding formula

At this stage the council intends to consider the benefits of introducing such flexibility in the coming year, including seeking the views of providers, before making any proposals for change from August 2020.

HNB budget detailed changes as reported to 17 January Schools Forum

Proposed use of HNB DSG funding

The general approach adopted in setting the budget in recent years has again been followed for 2019-20, with the SEN Team, supported by Finance, reviewing all HNB budgets. As expected from services that are volatile and high cost in nature, a number of changes are proposed to ensure budgets are set at the level of future forecast expenditure needs, thereby aiding effective monitoring.

The key proposed changes and assumptions where the financial impact is at least + / £0.025m are:

- 1 Purchase of Places in BF maintained schools: These will remain unchanged at 185 for Kennel Lane Special School and 26 for Meadowvale SEN Resource Unit.
- 2 Kennel Lane Special School: Based on current pupil profile, a £0.125m pressure is expected from 7 more BF pupils receiving Element 3 top up payments compared to last year (from 134 to 141). This reflects the policy of only placing pupils with SEND above the minimum £0.010m core place amount. Therefore, as pupils with lower need leave, they are replaced with those with higher needs. As more children mover to higher support needs, the cost of in-year budget changes have been reducing and now average £0.047m in each of the last 3 years. Coupled with there being 183 pupils on roll (BF and other LA placements), with a capacity of 186, the budget is proposed to be reduced by £0.030m to £0.030m.
- 3 Maintained schools and academies: the recent trend on these budgets is for increased cost pressures with a £0.089m forecast over spending in 2018-19 in BF schools as 9 extra pupils (+5%) are supported and £0.347m in other LA schools (mainly Special Schools) where 16 extra pupils have been placed. Whilst the 2018-19 budget anticipated an increase in costs, it was below the current expectation. There is a net overall forecast pressure of £0.362m in 2018-19.

For 2019-20, this is expected to amount to a £0.310m pressure as follows:

- Costs for Element 3 top-up funding for children with Education Health Care (EHC) Plans in BF mainstream schools are forecast to increase by £0.100m. This reflects the anticipated effect of current placements plus an allowance for further growth. 2018-19 saw a 22% increase in cost as numbers rose by 5% and the average cost of support by 17%.
- The most significant budget pressure anticipated next year relates to BF resident pupils with EHC Plans being placed in maintained and academy schools in other LAs. Placements in these institutions have increased by 16 to 94 (+20%). Average cost of support has increased by 25%. At this stage, budget proposals assume a similar level of expenditure in 2019-20 as anticipated for 2018-19 with growth of £0.210m.

A number of changes are proposed to budgets for SEN Resource Units:

- The secondary aged ASD unit at Rise@GHC continues to expand and admit more BF resident (+8) and other LA pupils (+3). As a

consequence, additional staffing are required which will ensure the Unit reaches full staffing compliment from September 2019 and a pressure of £0.031m has been calculated. 39 students are anticipated to be on roll at that time, with around 8 further students anticipated to be placed in each of the next 2 years as the Unit approaches its capacity limit of 56. The Unit is now fully financed from savings on external placements and income from other LA students. The long term expectation for when the Unit is at full capacity is for annual savings against external placements of £0.424m.

- A £0.036m pressure arises from needing to correct an error in the current base budget for Meadow Vale SEN Resource which currently understates the number of Element 2 funded places by 6.
- With diseconomy funding no longer required for Rise@GHC as the number on roll has now reached a sustainable level the level of contribution to the New SEN Resource Unit can be reduced by £0.092m. Funding will be required for the initial years after opening of the 40 place unit at Kings Academy - Binfield.

4 Non-Maintained Special Schools and Colleges: this is the most significant budget being managed in the HNB, amounting to around £4.8m spend in 2018-19. The budget requirement calculation has been undertaken on the same overall basis as in previous years, using trend and average cost data, together with projected changes anticipated by the SEN Team. The most significant changes in next year's proposed budget arise from:

- a. Projecting current pupil and student numbers through to the end of March 2020. This shows a net cost of £0.004m.
- b. Removing costs for 4 students that will leave ASD provision with new starters attending the Rise@GHC, saving £0.160m.
- c. Pressure is now being experienced in placements for pre-16 year old pupils. There has been an average net increase of 10 placements during the last 2 years and the SEN Team anticipate this will increase to 14 in 2019-20. The cost addition associated with this is estimated at £0.558m.
- d. For 16 and 17 year olds, numbers have recently been reducing by 2 and this trend is expected to continue saving £0.068m.
- e. For 18 year olds and older, in general, this is where the largest increase in numbers has been experienced in recent years as more young people seek to extend their education up to the age of 25. The rate of increase has been around 7 in each of the last 2 years, and this is expected to continue and therefore a cost increase of £0.096m has been included.

The overall cost pressure has been calculated at £0.430m.

5 Education other than at school: The number of places purchased at College Hall Pupil Referral Unit will remain unchanged at 46, which closely reflects the current number of admissions. An overall increase of £0.054m is proposed to College Hall and the associated Pupil Referral Service to reflect rising demand and costs. Part of the over spending in 2018-19 will be managed through the new pilot SEN support scheme agreed by the Forum in December.

In respect of other alternative provision, which is forecast to over spend by £0.130m in 2018-19, the SEN Team are considering better ways to manage

these costs, including the new pilot SEN support scheme agreed by the Forum in December. An update on progress will be reported to the March Forum meeting.

- 6 Other SEN Support Services: The overall budget is forecast to under spend by £0.121m in 2018-19. The most significant under spending relates to the proposed Early Opportunities assessment service which was due to commence from September 2018, but due to the increased admissions to Kennel Lane Special school, insufficient accommodation was available to provide the service. With admissions remaining high, there is no expectation that the assessment service will operate in 2019-20 and the budget is proposed to be removed.
- 7 Impact of Post-16 SEN Grant transfer into DSG: Paragraph 0, sets out that from August 2019, the DfE will no longer deduction sixth form high needs funding from an LAs DSG for their maintained schools and pay back through the Post-16 SEN grant. The money will be retained in an LAs DSG to directly allocate. For 2019-20, this will amount to £0.028m in secondary sixth forms and £0.333m for Kennel Lane. Budget adjustments have been made accordingly which will be offset by a matching reduction in the budget for Post-16 SEN grant. There will be a full year effect adjustment for this change in 2020-21.

Detailed changes proposed to the 2019-20 High Needs Budgets

Line Ref	Description	2018-19 Forecast Variance (December) C £	Proposed Budget Change			Proposed 2019-20 Budget G £	Summary Comment H
			Placements D £	Element 3 E £	Other budgets F £		

Funds Delegated to Secondary School Sixth Forms

1	Post-16 SEND pupils in maintained school sixth forms	0	28,000	0	0	28,000	Reflects a change in funding mechanism being introduced by DfE from August 2019 and provides funding for 7 Element 2 places for BF to directly purchase, rather than the DfE. Retained DSG increases to fund this so no financial impact.
		0	28,000	0	0	28,000	

Funds Delegated to Special School: pre-16

2	Kennel Lane Special School - original pre-16 budget (BFC responsibility only)	33,000	0	115,000	0	4,017,800	Current estimate is for initial budget requirement of £3.992m. Includes 185 purchased places with 183 on roll. Includes funding for 151 anticipated BFC resident pupil top up payments where more high cost pupils are attending.
3	Kennel Lane Special School - in-year budget changes (BFC responsibility only)	-7,000	0	-4,000	0	56,000	To better reflect average general spend in last 3 years of £0.047m, together with the general increase in pupil numbers and the increasing average cost of Element 3 payments limiting further increases a small reduction is anticipated.
		26,000	0	111,000	0	4,073,800	

Line Ref	Description	2018-19 Forecast Variance (December) C £	Proposed Budget Change			Proposed 2019-20 Budget G £	Summary Comment H
			Placements D £	Element 3 E £	Other budgets F £		

Post 16 and other SEN grants

4	Kennel Lane Special School - original post-16 budget	0	333,000	0	0	-172,360	Reflects a change in funding being introduced by DfE from August 2019 and provides funding for 50 Element1 and 2 post-16 places for BF to directly purchase, rather than the DfE. Retained DSG increases to fund this so no financial impact.
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0	333,000	0	0	-172,360
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Maintained Schools & Academies

5	Contribution to New BF SEN Resource Provision Reserve	0	0	0	-122,190	0	Diseconomy funding no longer required for Rise@GHC as the number on roll has now reached a sustainable level. Funding may be required for the initial years after opening of the 40 place unit at Kings Academy - Binfield. Circa £0.490m expected to be in SEN Resource Provision Reserve at 1 April 2019. No further contributions to the Reserve considered necessary at this time.
6	BF Secondary School SEN Resource Provision	-47,000	-760	0	0	788,290	Reflects anticipated £0.788m cost of the Provision, which will have reached full staffing compliment from September 2019. 40 Students anticipated to be on roll at that time (29 BFC resident), with around 8 further students anticipated to be placed in each of the next 2 years as the Unit approaches its capacity limit of 56. The Provision is now fully financed from savings on external placements and income from other LA students.
7	BF Secondary School SEN Resource Provision - Premium fee rate	0	0	0	-2,500	-33,100	Income from other LAs as a contribution to diseconomy costs at the Rise@GHC. More other LA students are now on roll increasing income from other LAs.
8	BF Primary SEN Resource Provision	36,000	-44,000	0	0	188,790	Amends the number of Element 2 funded places to reflect number of places expected to be required. In agreement with Meadow Vale Primary school, there has been a reduction of 10 places at the Speech and Language Provision which reflects anticipated demand.
9	BF mainstream schools - Element 3 top up payments	84,000	0	100,000	0	946,600	Reflects current spend, plus allowance for additional payments, based on recent trend.

Line Ref	Description	2018-19 Forecast Variance (December) C £	Proposed Budget Change			Proposed 2019-20 Budget G £	Summary Comment H
			Placements D £	Element 3 E £	Other budgets F £		
10	BF mainstream schools - Element 3 short term interventions	-22,000	0	0	-15,500	10,000	Reflects current spend, plus future expectations.
11	BF Early Years - Element 3 top up payments	-15,000	0	-20,700	0	15,000	Reflects current spend, plus future expectations.
12	BF mainstream schools – top up to schools with disproportionate number of HN pupils	-14,000	0	-10,000	0	40,000	Reflects current spend, plus future expectations.
13	BF Schools in Financial Difficulty - HN Block	-14,000	0	0	-14,470	0	Reflects current spend, plus future expectations.
14	Other LA maintained schools and academies – funding for BF resident pupils	359,000	0	210,000	0	1,239,180	Reflects current spend, plus future expectations.
		367,000	-44,760	279,300	-154,660	3,194,760	

NMSS & Colleges

15	Non-Maintained Special Schools and FE Colleges	-617,000	0	430,410	0	5,511,000	The under spending in 2018-19 is generally accounted for from the £0.549m in-year increase in DSG income that was not reflected in the budget. Forecast cost for 2019-20 is £5.511m. Rolls forward current commitments, plus allowance for 10 net new pre-16 starters and net 5 new post-16 placements reflecting recent experience and current expectations. £0.160m saving removed to reflect ASD leavers with starters attending Rise@GHC.
		-617,000	0	430,410	0	5,511,000	

Line Ref	Description	2018-19 Forecast Variance (December) C £	Proposed Budget Change			Proposed 2019-20 Budget G £	Summary Comment H
			Placements D £	Element 3 E £	Other budgets F £		

Education out of School

16	College Hall Secondary aged Pupil Referral Unit	-5,000	0	32,510	-5,000	785,400	Reflects the increased occupancy rate at the Unit, together with recognition of a number of unfunded cost increases that have had to be absorbed in the budget.
17	Other Pupil Referral Services e.g. outreach, home tuition.	166,000	0	0	27,220	350,000	The outreach budget is proposed to increase to cover the cost of current staffing with home tuition increased to reflect rising demand. Part of the over spending in 2018-19 will be managed through the monitoring of the Service Level Agreement with this provision.
18	Alternative Provision for Primary Aged pupils without a statement	55,000	0	0	0	50,500	SEN Team considering better ways to manage these costs.
19	Alternative Provision for Secondary Aged pupils without a statement	104,000	0	0	0	20,200	SEN Team considering better ways to manage these costs.
20	Other minor variances	2,000	0	0	0	62,740	
		322,000	0	32,510	22,220	1,291,540	

Other SEN Services

21	Equipment for SEN Pupils	-10,000	0	0	-5,000	17,290	Reflects current spend, plus future expectations.
22	Medical support to pupils pre 16	58,000	0	0	15,000	80,360	Reflects current spend, plus future expectations.
23	Therapies and other specialist support	-48,000	0	0	-20,000	627,090	Reflects current spend, plus future expectations.
24	Early Opportunities	-80,000	-88,000	0	0	0	No capacity at Kennel Lane Special School to manage the service.
25	Other support to early years pupils	-23,000	0	0	0	395,180	
26	Other minor variances	-20,000	0	0	0	38,310	
		-123,000	-88,000	0	-10,000	1,192,440	

Line Ref	Description	2018-19 Forecast Variance (December)	Proposed Budget Change			Proposed 2019-20 Budget	Summary Comment
			Placements	Element 3	Other budgets		
A	B	C	D	E	F	G	H
		£	£	£	£	£	

Grand Total - Relevant budgets only	-25,000	228,240	853,220	-142,440		
TOTAL CHANGE					939,020	
2018-19 base budget funding					14,613,400	
Estimated DSG income					15,408,500	
Cost reductions to be managed in-year					143,920	

Kennel Lane Special School (KLS)	2018-19	2019-20	Change	
<u>Calculation of Minimum Funding Guarantee</u>				
Places funded	£1,850,000	£1,850,000	£0	
Top ups	£2,660,636	£2,731,803	£71,166	
Total	£4,510,636	£4,581,803	£71,166	1.58%

Number on roll	182.4	183.2	0.8	
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MFG for special schools is calculated on whole budget including other LA (OLA) students.
Unlike mainstream schools, it is not ordinarily a per place / student funding measure.

2019-20 Budget Pressure Reconciliation - i.e. BFC resident pupils only

Cash increase to budget from above	£4,510,636	£4,581,803	£71,166	
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Variance between approved budget and allocation to KLS

2018-19 KLS originally agreed budget	£3,902,800			
2018-19 KLS original actual	£3,933,876		£31,076	

Reduction in top up funding from OLAs for BFC to fund

2018-19 OLA originally agreed top-ups	£576,760			
2019-20 OLA originally agreed top ups	£564,484		£12,277	

Net pressure for BFC to fund at Annex 3

£114,519

Schools Forum High Needs Block Sub-Committee

Terms of Reference

1. Purpose

To provide a structured forum for head teachers to work in partnership to:

- a. Ensure that High Needs Funding is allocated appropriately to achieve the best possible outcomes for children and young people with SEND—that is, value for money of the High Needs Block.
- b. To offer advice and recommendations to the Schools Forum regarding the use of High Needs Funding (through clear reporting) so that:
 - i. there is ongoing cognisance of issues related to the High Needs Block and
 - ii. Schools Forum members have greater opportunity to take a proactive role in High Needs Budget decision-making.
- c. To review and make recommendations to Schools Forum on directing the allocation of High Needs Funding in relation to:
 - I. Top-up rates, number of places and other specific financial pressures or issues identified by the subcommittee.
 - II. The wider strategic agenda which underpins Bracknell Forest's approach to meeting the needs of children and young people with SEND.
- d. To provide greater transparency of the use of High Needs Funding.

(See Appendix 1)

2. Responsibilities

The High Needs Block Sub-Committee will:

- a. Review and monitor the use of High Needs Funding, including the use of additional payments.
- b. Identify pressures on the High Needs Block.
- c. Develop and undertake a specific work programme (as agreed by Schools Forum) focusing on priority areas and arising issues.
- d. Report a briefing note to Schools Forum which offers an update on progress after each High Needs Sub-committee meeting (Chair responsibility).

3. Membership

- a. Schools Forum representative members.
- b. Corporate Finance Team representative.
- c. SEND Service manager representative.

4. Chair

High Needs Block subcommittee member voted by head teachers on the Schools Forum.

5. Frequency

The Sub-Committee will meet on a half-termly basis and ad hoc as required.

Appendix 1

From ESFA guidance:

It's open to a Schools Forum to set up working groups of members to discuss specific issues, and to produce draft advice and decisions for the schools forum itself to consider. The groups can also include wider representation, for example, an early years reference group can represent all the different types of provider to consider the detail of the early years single funding formula. The reference group would then be able to give its considered view on the local authority's proposals to the schools forum. The schools forum should not delegate actual decisions or the finalisation of advice to a working group, as this may have the effect of excluding legitimate points of view. These have proved effective for larger local authorities; examples of some working groups are for high needs and early years.¹

¹ *Schools Forum: Operational and Good Practice Guidance*. Educational and Skills Funding Agency. September 2018