

Schools Forum High Needs working group

6th December 2018

Attendees:

Adrian Whitely	Jon Bush	Margaret Morris
Andre Baird	Michael Forber	Dave Spencer
Louise Seargeant	Nicola Lightwing	Tim Kelly
Phill Arrowsmith	John Wood	Shaun Allen

John Wood outlined information on 2018-19 projections, High Needs future, and a possible 0.5% top-slice from the Schools Block to support High Needs pressures.

High Needs Block is currently projecting an overspend of £1.43m. This includes £0.5m uncommitted balance from the 2018-19 top-slice. Forensic work is continuing to identify all pressures, so the overspend is likely to increase. However, High Needs should not be looked at in isolation, the whole DSG budget should be considered and assessed as to how it is spent, and if it has been used wisely.

Expenditure on place funding is as reported to ESFA, although further place requirements could be identified. Mainstream top-ups (including EHCP/PFAs) show significant pressures with 59% increase in primary and 12% in secondary from October 17 to October 18. There has also been significant growth in 6th Form and FE provision due to the requirements in the code of practice, and High Needs funding has never reflected this increase. Exceptional Need and PFA expenditure is also increasing, particularly for behaviour related needs.

Low Prior Attainment in mainstream formula allocations totals £8.6m in 2018-19 but would increase to £13.9m in National Funding Formula, 61% of which is allocated to Primary Schools. However, there is no 'extra' money in the formula to support this, so schools should be spending more of their budget on children with SEN, although in reality this isn't necessarily the case.

Approximately half the 2018-19 top-slice (£1m) has been committed to trial bases, some of which started in April, the remainder in September 18. No financial targets were attached to the trials.

Although cumulative School Balances were £10.2m at the end of 2017-18, this is expected to half by the end of 2018-19 and further decrease in future years, subject to recovery plans being implemented by individual schools, and revised projections as the year progresses. Some schools, particularly small primary schools may struggle to recover deficits.

Initial future year projections for the DSG budget are that at the end of 2019-20 there will be a cumulative deficit of £4.3m increasing to £7.1m in 2020-21. This would reduce by about £1m if a top-slice was agreed for 2019-20, although this may have an adverse effect on school balances (projections assume no uplift in DSG and no mitigating actions).

There is a high proportion of primary schools with little scope to improve, and may struggle to manage without a reorganisation of schools.

Mitigation of High Needs Spend

Reducing demand - the increase in HN spend may be inflated due to poor processes, and unrealistic expectations from parents and schools that EHCPs are the only way to attract funding to the children.

Reduction in specialist places (in special schools) – not achievable in the short term even if justified - the admissions profile of schools can be changed but current cohorts cannot be changed quickly (e.g. pupils in year 7 will be in the school for a further 4 years). Changes to provision may also require adjustments, closure, re-use etc of assets which is a slow process. There is the potential to reduce the cost of independent / Out Of Borough placements, but increasingly these placements are due to increased instability and unpredictability in Children Looked After care placements who often have SEN but whom are outwith the direct control of the SEN service.

Reduction in top-up costs – this can be counterproductive, and there is little scope for this as Wirral rates compare favourably with other North West Authorities (apart from SEMH), although some exceptional needs and PFA payments result from poor practice in schools and lack of robust governance.

Savings Opportunities

Some initial opportunities were suggested although their feasibility is yet to be tested, and the independent SEN review will look at them in more details. Examples were to avoid high tariff placements, such as a student costing £100k per term – this will be reviewed at the end of the year.

Other suggestions were to reduce independent and out of borough placements, reduce exceptional needs, ensure maximum use of Notional SEN allowance etc. Pending tribunals will be down to 6 by January (previously there were 1 per week). Where cases are ongoing, it is down to interpretation of the Code of Practice rather than process errors.

Conclusions / further work

Further work on high needs spend is needed for future projections, and need to be more pre-emptive on school balances to get more realistic projections.

There are limited savings opportunities within High Needs, but any that are possible need to be maximised to relieve pressures. There is no indication from DfE / ESFA that there will be the opportunity to top-slice after 2019-20.

Pressures on High Needs are not purely due to children with EHCPs etc, but also the poor early identification and management of behaviour, creating increased costs and inefficiencies. Processes aren't efficient and need to be improved.

The agreement of a further top-slice would not solve fundamental pressures on DSG, and is an unnecessary distraction, and just shifts deficit between funding blocks. A top-slice from the Schools Block will therefore not be requested or consulted on.

Further discussion

Wirral is now in a position where it cannot balance its DSG budget. Although some LAs can balance theirs, the majority of LAs are already in a deficit position on their HN budgets if not the whole DSG. There is no indication from DfE / ESFA that there will be additional funding, although that have indicated that High Needs will be a priority in the next comprehensive spending review.

Independent SEN/HN reviews typically require 12 months to complete and this is the case for Wirral especially as currently there are weakness in the provision of management information including mainly paper records. The Review will therefore not impact significantly until the 2020-21 budget.

The number of children with simple and complex needs as a proportion is increasing, so we need to seek opportunities for savings / efficiencies in 'non SEN' areas such as more support for families at Early Years stage, better behaviour management in schools, and earlier intervention by Early Years providers.

The effective provision of support for children with SEN requires consistency in and quality of delivery, as well as true integrated working across all three components of the SEN model, Social Care, Health and Education. Solutions to the DSG funding pressures and the weaknesses in the current SEN system will not be sustainable without improvements to all three areas.

The Schools Forum chair will write to the Corporate Director for Children's Services on behalf of Schools Forum to highlight this point and stress the need for improved wraparound services.

Pilot provision / trial bases

It is too early in the trials to draw any conclusions although the feedback after the 1st term is positive. Children will not just disappear once the trial period is over, their needs will still be supported.

A meeting will take place in the Spring 2019 term with the trial bases, which will report back to the High Needs working group.