

SCHOOLS FORUM

14 November 2017

SEN Update

1. PURPOSE OF REPORT

To update Schools Forum regarding SEN pressures and the potential financial implications arising, and seek agreement to a number of measures to address this.

2. RECOMMENDATIONS

- Support that Top Up Payment paid only when Top Up Status recorded in School Census data, in line with the new DfE funding allocation procedures from January 2018.
- Note the planned Review of the SEN Funding Mechanism ;
- Agree to support the application to the DfE for the transfer of up to 1% of Schools Block Funding to High Needs Block to support the growth in our special school places for September 2018.

These steps are necessary in order to move towards a balanced funding position when the NFF is introduced

3. BACKGROUND

Schools Forum has previously received information in relation to various aspects of the increasing pressures arising in the High Needs Block. Papers provided to September's meeting highlighted:

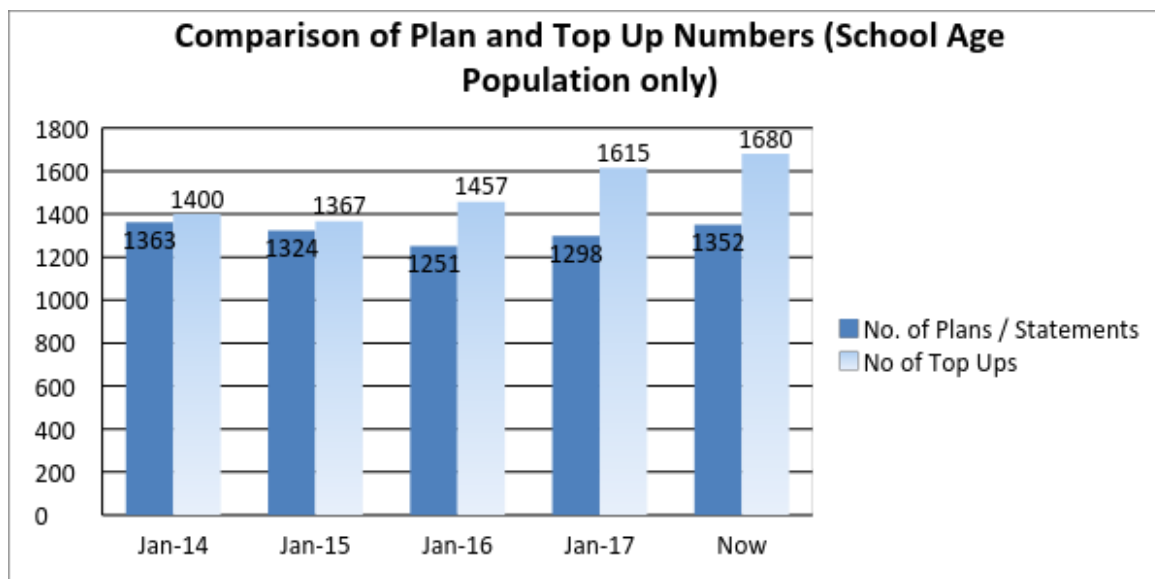
- The DSG monitoring report highlighted a £1.5 million overspend in 2017/18, arising from various aspects of Special Educational Needs ;
- The SEN update identified the rising trend in pupils in receipt of Top Up funding and Independent Sector "Out of County placements; this was in tandem with a 32% increase in pupils within our own maintained Special Schools.
- The pressures arising from the increasing numbers of Permanent Exclusions;

Schools Forum are also aware of a £1.7 million overspend in 2016/17, as reported to the July Schools Forum. Clearly action is required in order to establish a balanced budget position in relation to SEN expenditure funded via the High Needs Block.

4. CURRENT POSITION

Top Up Numbers

The chart below, shared previously, shows the disproportionate rise in the number of pupils receiving Top Up support compared with the overall Plan numbers.



This represents a 313 (22.9%) increase in the number of pupils being supported by Top Up. If the average assessment outcome is assumed as Band 4 (i.e. a midpoint in the scale, costing £6,000 per annum), these 313 extra cases would result in additional annual cost pressures of £1.878m.

A sample review of cases identified a number of errors arising, e.g.:

- More than one School claiming Top Up for the same pupil;
- Top Up funding being paid where a pupil had previously left the school

Another major issue arising was in relation to the accurate recording of Top Ups within SIMS or the equivalent School Information System. There are various aspects of SEN to be recorded, in line with the standard School Census data requirements including:

- Education Health and Care Plan / SEN Statement status;
- Category of Primary Need; and
- Top Up Funding Status (True or False)

The accurate completion of this information is crucial in ensuring we have an accurate picture of SEN in Northumberland. Furthermore, from recent discussions with the DfE it has emerged that the Top Up payment information is being used in the calculation and allocation of High Needs Block funding. Additional information has been requested from the DfE in relation to this.

Due to the importance of this, the Additional Educational Needs Committee on 2 November 2017 agreed the establishment of the principle that Top Up funds would only be paid where a record is being correctly maintained within SIMS or the equivalent school information management system.

It is acknowledged that this may create additional challenges where schools do not use SIMS. For that reason it is proposed that Top Up funding will be paid once a term, using the respective School Census return information as the data source for payments. School representatives at the Additional Educational Needs Committee were again supportive of this proposal because of the reduction in associated administrative time. Subsequent feedback from Schools has also supported this.

Extensive information will be provided to schools prior to the January census data collection to make them aware of this change in SEN Top Up administrative arrangements. The key objectives driving these proposals are:

- Improvements to performance and management information in relation to SEN; and
- An obligation to ensure that Northumberland High Needs block grant allocations are accurate and reflect the nature of the actual SEN profile.

There are potential financial implications arising for schools should they not comply with this requirement. Of the 120 cases identified in the May 2017 census who were receiving payments but not recorded as in receipt of Top Up, there were 50 Schools involved and the number of cases involved per school varied from 1 to 20. Should Schools continue to fail to comply with this requirement, this could potentially result in the withdrawal of £450,000 of top up payments. This should also be seen in the context of the 2017/18 DSG Monitoring Report highlighted a £561,320 overspend in this area.

As this proposal to link Top Up payments to School Census information simply reflects good practice in relation to financial and information management, this will be implemented from January 2018.

5. Review of SEN Funding Mechanism

As well as the above amendment to Top Up payment processes, a wider review of SEN Funding Mechanisms is also required in order to understand why these pressures are arising, and are they specific to Northumberland or indicative of wider regional or national issues.

This will include:

- a review of the system for the payment of Top Up, both for pupils with EHC Plans and the sizeable cohort of children receiving Top Up who do not have a Plan.
- the need to establish a graduated approach in this context, with clarity in relation to the support available and thresholds for accessing this;
- a review of the current banding structure and associated descriptors;
- consideration of the processes by which funds are allocated including the Placement Panel ; and
- consistently embedding regular review.

This will involve further work including a review of other Local Authorities procedures and practice, with the intention of the Additional Educational Need being closely involved in supporting this. In practice it is hoped that recommendations can be implemented with effect from September 2018 in relation to this.

6. Transfers between Schools Block and High Needs Block:

Before setting out specific intentions in relation to requesting a transfer from the Schools Block to the High Needs Block for 2018/19, it is important that the historical context and trends are understood. While the two blocks are funded separately, they are clearly related due to the need to fund growing numbers of pupils not supported in mainstream education for a variety of reasons (e.g. permanent exclusions, SEND etc.). Schools also receive a large proportion of High Needs funding through the payment of Top Up funds

Top Up funding has previously been covered within this report, and this represents the largest single expenditure category within the High Needs Block (£12.3 million forecast for 2017/18).

However there are other pressures on this block. There has been an increase in the number of independent sector placements funded in this way, which has been another major factor in the pressures faced by the High Needs block. Since April 2015 the number of placements funded has increased by 50 (53%), from 94 to 144.

Placements that are outside of the county also involve additional expenditure in terms of Home to School Transport. Northumberland spends over £4 million per year on SEN transport (£1.174 million via DSG, due to historic commitments), both within and outside the county but what this does not take into account are the long travel times and the impact has on our pupils.

As at July 2017, we were supporting 1095 pupils and students to attend 57 different establishments on a daily basis. The average annual cost per pupil is almost £4000 each, a figure broadly equivalent to the amount of funding per pupil to operate a school in a mainstream setting.

This position has been exacerbated by the fact that Northumberland's 8 maintained special schools have seen number rise by 32% between 2013 and 2017 as shown in the table below .:

Special School	2013	2014	2015	2016	2017
Atkinson House	62	53	56	59	66
Barndale House	36	38	40	37	39
Cleaswell Hill	126	149	155	163	173
Collingwood School	105	129	145	137	137
Cramlington Hillcrest	46	56	58	62	74
Hexham Priory	61	65	77	78	89
The Dales School	68	73	76	76	89
The Grove School	36	39	42	43	45
TOTAL	540	602	649	655	712

There is therefore no capacity to accommodate additional pupils.

Given that Northumberland's 8 maintained special schools are all either good or outstanding, the Council reiterates its intention to reverse the trend of increasing out of borough placements by increasing the capacity to provide quality SEN education within the county, and enable pupils to be educated within their communities.

In order to begin to address this pressure, Northumberland is investing capital funds developing additional capacity (75 places) at Hexham Priory and The Dales. However this will also require additional revenue funding in the short term to enable placements to be made and supported in our maintained special schools.

For that reason Northumberland is seeking School Forum agreement to the transfer of up to 1% of Schools Block funding to High Needs. This will involve a figure of up to £1,772,770 of the overall provisional allocation of £177,276,970, depending on:

- Final overall budget allocations ; and
- The agreement of the proposed option for the allocation of Schools Block funding in 2018/19

The Department for Education in its *School Revenue Funding 2018-19* requires that such requests should be made by 30 November, hence the timing of this report to Schools Forum. Agreement does not commit Forum to this allocation; it simply enables a transfer for up to this amount, subject to the DfE agreement.

CONCLUSION

The intention of this paper is to highlight the continuing pressures on High Needs block expenditure, and outline how Northumberland is beginning to address these issues.