

# Agenda Item 12

**TITLE** High Needs Block Update

**FOR CONSIDERATION BY** Schools Forum on 18 December 2019

**WARD** (All Wards);

**LEAD OFFICER** Director of Children's Services - Carol Cammiss

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Provide assurance on actions associated with High Needs Block financial pressures and links to SEND strategic improvements.

## **RECOMMENDATION**

Schools Forum are asked to note the update on the High Needs Block and associated actions.

## **SUMMARY OF REPORT**

The report provides Schools Forum with an update on the High Needs Block, associated actions and improvement programme.

**High Needs Block Update  
December 2019**

**.01 Purpose of the Report**

This report provides the Schools Forum with an update on the 2019/20 High Needs Block of the Dedicated Schools Budget, and the action plan associated with the deficit recovery plan.

The report also provides an update on the 2020/21 budget planning process.

**.02 Recommendation**

The Schools Forum is asked to note the contents of this report.

**.03 Background**

Figures previously reported to Schools Forum forecast a year end deficit for 2019/20 of £2.75m on the High Needs Block. Despite significant planned investment in increased capacity in local provision, indications were that the deficit was set to continue to rise over the coming years based on projections of children and young people with an EHCP.

At the October Forum meeting it was noted that provisional funding arrangements for 2020/21 had just been received and this indicated a significant increase on funding for the coming financial year but that details were still to be worked through. At that time feedback from the Department for Education (DfE) was also still awaited on the DSG Recovery Plan submitted in July.

**.04 SEND - Continuous Improvement Programme**

Under the Children's services Continuous Improvement Programme the Special Educational Needs and Disabilities (SEND) Improvement programme has been established.

This seeks to bring together the actions being taken forward under the SEND Improvement Board in responding to the Written Statement of Action, with the wider strategic and financial review work reflecting the challenges within the High Needs Block.

As part of that, a review of all settings and services funded from the High Needs Block will be undertaken. Forum will be aware that some of that work has already started, with other areas currently being timetabled as part of programme planning.

The format of the revenue monitoring report has been amended to allow greater visibility of the relative spend on each setting type, with the Improvement Programme providing governance around progress and update reporting.

Resource Bases: work continues to progress on the development of a needs based framework for setting top-up rates for resource bases, to be in place for April 2020. Interim funding arrangements for 2019/20 are now in place, with funding adjustments paid over to schools.

Special Schools: as with resource bases interim funding arrangements for Addington for 2019/20 are now in place and work continues to develop new arrangements for the 2020/21 financial year. Discussions on the next steps for Northern House are also continuing, along with the joint free school proposal with Reading.

Independent Special Schools: a detailed review of independent special school placements continues, ensuring commissioning activity is focussed and co-ordinated and that tri-party funding arrangements fully reflect health needs where appropriate. As local provision increases, matched appropriately to need, savings will be targeted on a reducing profile for ISS.

Pupil Referral Unit: strategic discussions on the Foundry are now being taken forward, recognising the key role the school plays for Wokingham children and young people. A review of funding arrangements will be undertaken as part of this, to ensure sustainability of strategic priorities.

Hospital Education: Willow House, situated at Wokingham Community Hospital, is currently funded through HNB place funding as a PRU, but provides support for children and young people from across Berkshire with increasingly more complex needs. Discussion with other LA and NHS colleagues is continuing on proposals for the unit to be relocated, providing more suitable accommodation and links with other appropriate services.

Therapy Costs: work remains ongoing to review the arrangements in place to deliver speech & language therapy, physiotherapy, occupational therapy and the sensory consortium. This will ensure that appropriate costs are reflected against the High Needs Block and that value for money is delivered through these contracts and arrangements.

## .05 **2020/21 Budget Planning & Deficit Recovery Plan**

The Council has now received feedback from the DfE on the recovery plan submitted in July. The feedback was clear that improved strategic direction was required to address the deficit, and that further detail was required on the cost drivers and associated savings.

A meeting with the DfE has been set for the 4<sup>th</sup> February to take forward the discussion in more detail, which will also be an opportunity to discuss the work done through the Improvement Programme since the recovery plan was submitted in July.

In preparation for that, and for 2020/21 budget setting, the 5 year financial model underpinning the recovery plan is under review, with assumptions made at that time being refreshed. Output from the Improvement Programme and associated workstreams will inform that, although it is recognised this is an ongoing process.

Following the Government announcement in August of additional SEND funding of £700m for 2020/21, provisional individual allocations have been issued, with Wokingham set to receive an additional £1.68m, an increase of 8.87% on current year funding. No assumption on increased funding was made in the original recovery plan modelling, so this provides an improved position for refreshing financial planning.

Consultation on the 2020/21 High Needs Block budget will be brought to Schools Forum in early 2020.

## **.06 Schools Block Transfer**

At the October Schools Forum discussion was held on whether to explore the possibility of the transfer of (up to 0.5%) funding from the Schools Block to the High Needs Block, following confirmation in the operational guidance for 2020/21 (just received at that time) that this process remained open to LAs.

Following the meeting a review of the financial details of the funding settlement was undertaken and consideration was given to the implications for both individual schools and high need block funded settings. In light of that review, the Council took the decision that no request for transfer would be progressed for the 2020/21 financial year.

However, the concerns raised at Forum from both mainstream schools and SEND settings are important, and the Council is committed to work with all Forum members to increase visibility and wider understanding on the financial challenges being faced across local settings to establish an appropriate funding balance going forward.

Regular updates to Forum from the strategy work and improvement programme will bring opportunities for members to take forward cohesive financial planning to support the inclusion agenda for Wokingham.

## **.07 2019/20 Forecast Update**

The anticipated year end position now shows a projected increase in deficit of £358k, with a cumulative year end deficit of £3.11m now forecast.

Changes from that reported previously are largely as a result of pupil changes for the new academic year across mainstream, maintained special school and independent settings.

The previous setting of those moving into a new independent placement is a variable mix of resource bases, Northern House and Foundry.

**.08 Summary**

This report provides Schools Forum with an update on the 2019/20 High Needs Block forecast, the provisional budget allocation for 2020/21 and the Improvement Programme underway.

A meeting with the DfE is scheduled for the 4<sup>th</sup> February to discuss the deficit recovery plan and next steps.

The assumptions in the financial model underpinning the recovery plan are currently being updated, and will inform budget proposals for 2020/21 which will be presented to Schools Forum at a future meeting.

**Lynne Samuel**  
**Senior Finance Specialist – Children’s Services**  
**December 2019**

**Sal Thirlway**  
**Assistant Director – Learning Achievement & Partnerships**  
**December 2019**

This page is intentionally left blank