

**DERBYSHIRE COUNTY COUNCIL****CABINET****14<sup>th</sup> March 2017****Report of the Strategic Director for Children's Services****High Needs Block Budgets 2017-18 – (Children's Services)****1. Purpose of the Report**

To seek approval to the Authority's proposed High Needs Budgets for 2017-18.

**2. Information and Analysis****2.1 DSG Income**

The indicative DSG allocations for 2017-18 were announced by the DfE on 20 December 2016, a summary of the High Needs allocations and a comparison with 2016-17 are provided in Table 1 below:

**Table 1 – High Needs DSG Settlement 2017-18**

	<b>2016-17</b>	<b>2017-18</b>
	<b>£m</b>	<b>£m</b>
Baseline allocation 2016-17	<b>67.529</b>	<b>67.529</b>
Transfer of funding for post-16	-	<b>0.624</b>
Population uplift	-	<b>1.249</b>
<b>TOTAL HIGH NEEDS BLOCK (£m)</b>	<b>67.529</b>	<b>69.402</b>

The 2017-18 settlement includes two specific allocations. The first (£0.624m) represents Derbyshire's share of £125m transferred from the DfE's own budgets for places in FE Colleges and Post-16 Charitable and Commercial Providers (CCPs). The funding is in our gross HNB but will be deducted at source and paid direct by the Education Funding Agency (EFA) to providers; the change effectively transfers the risk on increases in numbers from the EFA to local authorities.

The other allocation (£1.249m) is the LA's share of £95m allocated nationally and distributed on the basis of the expected mid-2017 population aged 2-18.

**2.2 Overall Funding Context**

The Government's national funding changes mean that the costs of high needs provision will have to be contained within the High Needs Block allocation. From April 2018 there will be a ring fence around the Schools Block and the Authority's Early Years Block will reduce by ~10% over the next two years. There will therefore be little or no scope for supplementing the high needs provision from these sources.

Looking further ahead, the national High Needs Funding Formula will result in the Authority depending upon the proposed protection arrangements to retain current levels of funding. As such, budgets will become tighter as inflation erodes real terms spending power. The future allocations of resources should be cognisant of these factors.

## **2.3 Budget changes for 2017-18**

There are several pressures which will have to be funded in the 2017-18 budget:

**Post-16 placements (£0.624m)** – to cover the new responsibilities described in 2.1 and for which funding was included in the settlement.

**Additional places (£0.198m)** – the annual review has indicated that an additional 22.42 places will need to be commissioned from the LA's special schools, ER schools, Element 2 high needs 'places' within 6<sup>th</sup> Forms and PRUs, either from April or September 2017. The estimated cost is £0.198m and a summary of the changes is provided in Appendix 1.

**Transfers from the Early Years budget (£0.690m)** – there are several costs which historically have been charged to the Early Years block and which in future will have to be met from the High Needs Block. These include:

Spire Infant (£0.210m) – pays for an ERS which, in the vast majority of cases, only takes nursery age children. The school is given a start of year budget for its unit under a Service Level Agreement (SLA).

Stubbin Wood (£0.127m) – pays for an inclusive nursery where children are placed for a 12-week assessment. There are 8.5 full time equivalent places within the provision and the associated funding is a start of year budget agreed via an SLA.

SENTA support for nursery schools (£0.175m) – this provides nursery schools with extra funding to enable them to take children with high needs.

Early Years SEN Service (£0.178m) – this is equivalent to 30% of current spend on the service and the charge to the High Needs Block reflects the proportion of children supported by the service who go on to require continued financial contributions from either the GRIP (Graduated Response for Individual Pupils) or EHCP (Education Health and Care Plan) processes.

**Inflation (£0.160m)** - whilst it is not proposed to allocate an inflationary increase to schools or central high needs services, it would be prudent to allow for an increase in costs (Element 3s) in respect of children in other LAs' special needs provision. The rates charged are a matter for the individual schools in those LAs, rather than the host LAs themselves, and it is likely that some providers will endeavour to pass on the costs of pay and price increases in their charges. It is proposed that an allocation equivalent to 1.5% of current budgets is set aside to cover the increases.

**SEN Contingency fund (£0.200m)** – the current SEN contingency fund is over-committed by £0.150m and it's expected that this problem will increase in 2017-18. The main drivers of the overspend are additional funding to support Peak School plus an increase in the number of mainstream schools receiving assistance with the costs of meeting multiple Element 2 (£6,000) payments.

The costs of the proposals in this section are summarised in Table 2 below:

**Table 2 – Summary of proposed increases in funding**

Item	£m
Post-16 placements	0.624
Additional places per Appendix 1	0.198
Early Years transfer	0.690
Inflation – other providers	0.160
Contingency	0.200
Total	1.872

The net cost of the proposals effectively utilises the additional funding included in the HNB settlement.

The proposals generally do not include any allowance for inflation and this is in line with the position for most DSG budgets next year. These unfunded cost pressures will have to be contained within the respective delegated and retained cash limits. A summary of the proposed 2017-18 budgets is provided in Appendix 2.

The per pupil profiles (top ups) - which provide additional resources to institutions over and above the national place values - will be retained at current levels, the profiles and their proposed values for 2017-18 are set out in Appendix 3.

## **2.4 Former Education Services Grant (ESG) funded services (£0.070m)**

The ESG – General Duties funding is ending in 2017-18 and replacement funding needs to be identified, to cover schools' redundancy costs and school improvement services. The 2017-18 per-place ESG rates for special schools and PRUs for the summer term 2017 are £280.50 and £247.50 respectively, 4.25 and 3.75 times as great as the £66 per pupil for mainstream schools.

As the core HNB allocation has been utilised, it is proposed that DSG cash reserves are utilised for 2017-18 and the money drawn down delegated through the formula as shown in Table 3 below:

**Table 3 – Potential funding of former ESG services**

			School Improvement	School Improvement	Redundancy	
Sector/multiplier	Pre 16 Places	Schls	Per school	Per Pre 16 Place	Per Pre 16 Place	Total
Multiplier			£2,000	£7.56	£37.23	
Special schools	742	10	£20,000	£5,610	£27,625	£53,235

Multiplier			£2,000	£6.67	£32.85	
PRUs	280	3	£6,000	£1,868	£9,198	£17,066
Total			£26,000	£7,478	£36,823	£70,301

The 2017-18 operational guidance indicates that additional funding delegated in respect of redundancy costs can be top-sliced for special schools and PRUs. The decision on whether or not to top-slice the funding is a matter for the special school and PRU sector representatives on the Forum. The choices are either for schools and PRUs to retain the funding in which case individual institutions will carry their own risk. Alternatively, one or both sectors can agree that the funding is top-sliced and returned to the LA, in which case the funding would be added to the monies returned by mainstream schools in order that agreed reasonable costs can continue to be met centrally.

The Forum representatives considered this issue at the Schools Forum meeting of 9 February and agreed to the funding being top-sliced for 2017-18.

There is no provision to top-slice or de-delegate replacement funding in respect of school improvement services. Individual schools and PRUs will therefore have to make their own decisions regarding the level of school improvement services they wish to buy using normal traded arrangements.

### **3. Other Considerations**

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, human resources, legal & human rights, environmental, financial, health, property and transport considerations.

### **4. Background Papers**

Papers held in Children's Services Finance.

### **5. Officer's Recommendations**

Cabinet is asked to note the report and:

- (i) Agree to fund the High Needs places as set out in Appendix 1;
- (ii) Agree the High Needs Block budgets as set out in Appendix 2;
- (iii) Agree the top up rates for 2017-18 as set out in Appendix 3;
- (iv) Agree to release funding from DSG cash reserves to provide replacement resources for special schools and PRUs' redundancy costs and additional school improvement services; and

- (v) Agree to the request from special schools and PRUs representatives on the Schools Forum to top-slice funding from special schools and PRUs' budgets for redundancy costs in 2017-18.

**JANE PARFREMENT**  
**Strategic Director for Children's Services**

**2017-18 High Needs Places**
**Appendix 1**

								2016-17 FUNDED HIGH NEEDS PLACES							2017-18 FUNDED HIGH NEEDS PLACES	
DfE	School	2016-17 PRE 16 UNIT/SPECIAL		2016-17 POST 16 UNIT/SPECIAL		2016-17 POST 16 M/S & POST SCHL			2017-18 PRE 16 UNIT/SPECIAL		2017-18 POST 16 UNIT/SPECIAL		2017-18 POST 16 M/S & POST SCHL			FINANCIAL IMPACT
		April	Sept	April	Aug	April	Aug		April	Sept	April	Aug	April	Aug		£
ERS	2011 BRAMPTON PRIMARY SCHOOL	14	14					14.00	14	14					14.00	0
	2013 CHAPEL-EN-LE-FRITH COFE VC PRIMARY SCHOOL	19	19					19.00	19	19					19.00	0
	2116 ALDERCAR INFANT SCHOOL	8	8					8.00	8	8					8.00	0
	2119 LANGLEY MILL JUNIOR SCHOOL	7	7					7.00	7	5					5.83	(11,667)
	2190 PILSLEY PRIMARY SCHOOL	8	8					8.00	9	9					9.00	10,000
	2249 SPRINGFIELD JUNIOR SCHOOL	16	16					16.00	16	14					14.83	(11,667)
	2268 WHALEY BRIDGE PRIMARY SCHOOL	11	11					11.00	11	10					10.42	(5,833)
	2294 NEW WHITTINGTON COMMUNITY PRIMARY SCHO	10	10					10.00	10	9					9.42	(5,833)
	2333 HILLTOP INFANT							0.00		5					2.92	29,167
	2356 ELMSLEIGH INFANT AND NURSERY SCHOOL	16	16					16.00	16	16					16.00	0
	2517 DUNSTON PRIMARY AND NURSERY SCHOOL	6	6					6.00	6	6					6.00	0
	4004 OUTWOOD ACADEMY NEWBOLD	14	14					14.00	14	16					15.17	11,667
	4019 CHAPEL-EN-LE-FRITH HIGH SCHOOL	40	40					40.00	40	38					38.83	(11,667)
	4052 THE LONG EATON SCHOOL	10	10					10.00	10	11					10.58	5,833
	4074 WILLIAM ALLITT SCHOOL	6	6					6.00	6	3					4.25	(17,500)
	4089 ALDERCAR HIGH SCHOOL	5	5	6	6			11.00	5	9	6	0			9.33	(667)
	4111 HOPE VALLEY COLLEGE					24	24	24.00					24	24	24.00	0
	4173 TIBSHELF COMMUNITY SCHOOL	15	15					15.00	17	17					17.00	20,000
	4191 GLOSSOPDALE COMMUNITY COLLEGE	3	3					3.00	3	2					2.42	(5,833)
	4192 WHITTINGTON GREEN SCHOOL	6						2.50							0.00	(25,000)
	4500 QUEEN ELIZABETH'S GRAMMAR SCHOOL	23	5					12.50	5	5					5.00	(75,000)
	5410 THE PINGLE SCHOOL	39	44					41.92	44	41					42.25	3,333
TOTAL ERS		276	257	6	6	24	24	294.92	260	257	6	0	24	24	284.25	(90,667)

								2016-17 FUNDED HIGH NEEDS PLACES							2017-18 FUNDED HIGH NEEDS PLACES	
DfE	School	2016-17 PRE 16 UNIT/SPECIAL		2016-17 POST 16 UNIT/SPECIAL		2016-17 POST 16 M/S & POST SCHL			2017-18 PRE 16 UNIT/SPECIAL		2017-18 POST 16 UNIT/SPECIAL		2017-18 POST 16 M/S & POST SCHL			FINANCIAL IMPACT
		April	Sept	April	Aug	April	Aug		April	Sept	April	Aug	April	Aug		£
POST 16	4000 SWANWICK HALL SCHOOL					3	3	3.00					3	1	1.67	(8,000)
	4002 ORMISTON ILKESTON ENTERPRISE ACADEMY					3	3	3.00					3	1	1.67	(8,000)
	4034 TUPTON HALL SCHOOL					2	2	2.00					2	3	2.67	4,000
	4052 THE LONG EATON SCHOOL					1	1	1.00					1	2	1.67	4,000
	4054 WILSTHORPE							0.00						1	0.67	4,000
	4057 NEW MILLS SCHOOL & SIXTH FORM					1	1	1.00					1	3	2.33	8,000
	4089 ALDERCAR HIGH SCHOOL					5	5	5.00					5	26	19.00	84,000
	4174 HIGHFIELDS SCHOOL					5	5	5.00					5	1	2.33	(16,000)
	4191 GLOSSOPDALE COMMUNITY COLLEGE					1	1	1.00					1	3	2.33	8,000
	4196 BROOKFIELD ACADEMY TRUST					7	7	7.00					7	3	4.33	(16,000)
	4500 QUEEN ELIZABETH'S GRAMMAR SCHOOL					11	11	11.00					11	0	3.67	(44,000)
	4505 ANTONY GELL							0.00						1	0.67	4,000
	4510 BUXTON COMMUNITY SCHOOL					2	2	2.00					2	0	0.67	(8,000)
	5400 NETHERTHORPE							0.00						4	2.67	16,000
	5401 ECCLESBOURNE							0.00						2	1.33	8,000
	5404 BELPER SCHOOL AND SIXTH FORM CENTRE					2	2	2.00					2	2	2.00	0
	5408 HEANOR GATE							0.00						1	0.67	4,000
	5409 FRIESLAND							0.00						2	1.33	8,000
	5410 THE PINGLE SCHOOL					2	2	2.00					2	2	2.00	0
	5411 LADY MANNERS SCHOOL					1	1	1.00					1	2	1.67	4,000
	5413 ST MARYS							0.00						3	2.00	12,000
	5416 THE RIPLEY ACADEMY					1	1	1.00					1	0	0.33	(4,000)
TOTAL POST 16						47	47	47.00					47	63	57.67	64,000

								2016-17 FUNDED							2017-18 FUNDED	
DfE	School	2016-17 PRE 16		2016-17 POST 16		2016-17 POST 16 M/S		HIGH NEEDS	2017-18 PRE 16		2017-18 POST 16		2017-18 POST 16 M/S		HIGH NEEDS	FINANCIAL
		UNIT/SPECIAL		UNIT/SPECIAL		& POST SCHL		PLACES	UNIT/SPECIAL		UNIT/SPECIAL		& POST SCHL		PLACES	IMPACT
		April	Sept	April	Aug	April	Aug		April	Sept	April	Aug	April	Aug		£
SPECIAL	7000 HOLLY HOUSE SPECIAL SCHOOL	40	40					40.00	43	43					43.00	30,000
	7001 HOLBROOK SCHOOL FOR AUTISM	65	81	20	20			94.33	81	100	20	20			112.08	177,500
	7005 BRACKENFIELD SPECIAL SCHOOL	72	72					72.00	72	72					72.00	0
	7006 ASHGATE CROFT SCHOOL	100	100	38	38			138.00	100	100	38	38			138.00	0
	7009 SWANWICK SCHOOL AND SPORTS COLLEGE	78	82					80.33	82	82					82.00	16,667
	7012 STUBBIN WOOD SCHOOL	109	109	11	11			120.00	109	109	11	11			120.00	0
	7014 BENNERLEY FIELDS SPECIALIST SPEECH AND LANG	84	84					84.00	84	84					84.00	0
	7017 PEAK SCHOOL	25	25	22	22			47.00	25	25	22	22			47.00	0
	7018 ALFRETON PARK COMMUNITY SPECIAL SCHOOL	65	65	17	17			82.00	65	65	17	17			82.00	0
	7019 STANTON VALE SCHOOL	62	62	23	23			85.00	62	62	23	23			85.00	0
TOTAL SPECIAL		700	720	131	131			842.67	723	742	131	131			865.08	224,167
PRU	1102 AMBER VALLEY & EREWASH SUPPORT CENTRE	162	162					162.00	162	162					162.00	0
	1111 NORTH EAST DERBYSHIRE SUPPORT CENTRE	102	102					102.00	102	102					102.00	0
	1106 SOUTH DERBYSHIRE SUPPORT CENTRE	16	16					16.00	16	16					16.00	0
TOTAL PRU		280	280					280.00	280	280					280.00	0
TOTAL DERBYSHIRE		2232	2234	274	274	142	142	1464.58	2246	2278	274	262	142	174	1487.00	197,500



**Proposed High Needs Block budgets 2017-18****Appendix 2**

	£m
ISB Places/Start of Year Budgets	15.793
Post 16 - new responsibility	0.624
Mainstream and nursery top ups	13.550
Special school top ups	11.208
PRU top ups	1.724
Payments to OLAs' schools	1.386
Payments to FE/ISPs	2.241
Out County Placements	6.751
Contingency - in year support to schools	0.600
SSSEN Service	4.586
Behaviour Support Service	0.786
Peri SEN services	1.934
Positive Play/Nurture	0.702
Education Psychology Service	0.400
Pre-school support service	0.178
Hospital recoupment	0.140
Individual pupil equipment fund	0.250
Integrated Pathways	1.500
Out of School Tuition	1.015
Virtual School	0.834
Virtual Classroom	0.197
Support for inclusion	1.169
Early Help	0.515
Other – vulnerable children fund/CLAFE/transport/overheads	0.699
Demographic/other pressures contingency	0.690
TOTAL	69.472
HNB Grant	69.402
Shortfall funded from cash (frmr ESG services)	0.070

**Proposed Special School pupil profiles (top ups) 2017-18****Appendix 3**

<b>Profile</b>	<b>Descriptor</b>	<b>2017-18 Top Up £*</b>
MSI	Multi-Sensory Impairment	49,108.08
ECB	Extremely Challenging Behaviour	49,108.08
HD	High Dependency	24,000.00
SEMHD	Social Emotional & Mental Health Difficulties	24,000.00
ELD	Extreme Learning Difficulty	17,168.17
SEBD	Severe Emotional & Behavioural Difficulty	16,079.05
ECOM	Extreme Communication Difficulty	15,269.66
COM	Autism/Communication Difficulty	11,119.32
EBD	Emotional & Behavioural Difficulty	10,860.89
D&A	Specialist Nursery (FTE)	9,827.19
SSI	Severe Sight Impairment	5,692.36
PHYS	Severe Physical Impairment	5,692.36
SHI	Severe Hearing Impairment	5,692.36
SLD	Severe Learning Difficulty	5,692.36
OLD	Other Learning Difficulty	1,557.53

\* Figures exclude the impact of the one-off funding to support school improvement and redundancy costs

**Proposed Enhanced Resource (ER) Schools and PRU pupil profiles (top ups) 2017-18****Appendix 3**

<b>PRU</b>	<b>2017-18 Top Up £*</b>
Kirk Hallam	16,690.06
Sawley	2,404.78
Breadsall	11,191.73
Alternative Provision Team	2,370.64
Newhall (see above)	18,891.84
Barrow Hill	15,937.43
Hasland	5,454.96
Bolsover	2,734.83
Chapel	5,237.85
Buxton	22,271.00
<b>ER School</b>	<b>2017-18 £</b>
A – Area ERS	2,523.10
(Whaley Bridge Primary, Chapel High, William Allitt, Glossopdale, Pingle, Hope Valley, QEGS)	
B – Deaf/Hearing Impaired ERS	3,855.74
(Aldercar Infant, Langley Mill Junior, New Whittington Primary, Aldercar Language College)	
C – Autism ERS	5,108.65
(Brampton Primary, Chapel Primary, Pilsley Primary, Springfield Junior, Elmsleigh Infant, Tibshelf Community, Pingle, Outwood Newbold, Long Eaton)	
D – Physical Impairment ERS	15,744.48
(Dunston Primary, Aldercar Language College, Hilltop)	

\* Figures for the PRUs exclude the impact of the one-off funding to support school improvement and redundancy costs