

SCHOOLS FORUM**2 October 2019****Report of the Executive Director for Children's Services****High Needs Funding****1. Purpose of the Report**

To inform the Schools Forum of the latest information regarding high needs funding in Derbyshire.

2. Information and Analysis

Appendix 1 shows Derbyshire's 2019-20 HNB allocation. As already reported to tonight's meeting, 2020-21 High Needs allocations will increase by at least 8% per head of population, compared to the 2019-20 baseline (which includes the additional £125m announced in December 2018). A gains cap will limit increases to a maximum of 17%.

Based on these minima and maxima percentages, Derbyshire's increase will be between £5.598m and £11.895m. Derbyshire's 2019-20 HNB equates to 11.1% of the national total. Hence if Derbyshire were to receive a pro rata share of the additional £700m this would suggest an additional £7.8m next year.

Details of Derbyshire's 2019-20 forecast HNB spend are set out in the following sections.

2.1 Places

Type:	£	
Academy pre 16 and post 16 places	6,044,833	£10k per place for students in academy special schools & PRUs, £6k per academy ER place & post 16 SEN in other academies.
Post 16 High Needs Places	204,000	£6k per place for students with SEN in LA maintained mainstream schools
Post 16 Colleges	738,000	£6k per place funding for SEN students at Derby and Chesterfield colleges
Special School Places - LA maintained pre & post 16	5,498,025	£10k per place for students at DCC LA maintained special schools
Pupil Referral Unit places LA maintained (pre 16)	919,998	£10k per place funding for students at DCC LA maintained PRU
Enhanced Resource places LA maintained (pre 16)	828,000	£6k per place funding for students at DCC LA maintained ER provision
Total Places	14,232,857	

The LA determines the number of places following a consultation with relevant individual institutions. Historically, the number of places purchased included some "headroom." However, much of this headroom has been removed as demands have risen and the places now purchased are broadly in line with expected needs.

2.2 Top ups

Type:	£	Note
Early Years SEN Inclusion Fund	160,000	Available from the term after aged 2 until they move to reception, support for children who have significant SEN and attend either a non-maintained or maintained early years setting
Nursery Units	181,000	Top ups paid to schools with a nursery unit for children following a GRIP/EHCP assessment
Nursery schools - SEN	146,789	Funding to allow our 8 nursery schools to be able to support children with complex needs
DCC primary schools/academies	7,789,910	Paid to DCC schools/academies for Derbyshire children following a GRIP/EHCP assessment
Other LAs' primary schools/academies	132,730	Paid for Derbyshire pupils with high needs educated in other LAs schools & academies
DCC sec. schools/academies	6,470,561	See primary
Other LAs' secondary schools/academies	334,822	See primary
DCC special schools/academies	11,659,932	Paid for Derbyshire pupils attending our special schools & academies, allocations reflect DCC pupil profiles
Other LAs' special schools/academies	1,869,195	Paid for Derbyshire pupils attending other LAs' special schools & academies, allocations reflect other LAs' profiles
Other individual school based SLAs - Special	409,811	Stubbin Wood assessment centre, extended day provision/key stage 3 integration at Holly House and autism outreach hosted by Peak/Holbrook special schools
Other individual school based SLAs - Primary	209,887	SLA with Spire Infant & Nursery School supporting young children with social and communication difficulties, often with diagnosed autism spectrum disorder.
Post 16 FE Colleges	1,409,852	Element 3 top up payments for Derbyshire post 16 students with SEN attending FE colleges
Post 16 Independent specialist providers	2,081,466	Element 3 top up payments for Derbyshire post 16 students with SEN attending independent specialist providers
Pupil Referral Units	1,499,329	Top ups paid to Derbyshire PRUs - largely based on historic spend
Independent & Non Maintained Special Schools (NMSS)	7,338,245	Total funding (equivalent to place and top up) for children attending independent & non-maintained special schools. Provision usually for complex needs difficult to deliver in local authority provision
Alternative Provision SEN	214,275	This funds individualised interventions for children with SEN, excluded/at risk of exclusion from school
Ind/NMSS - contribution to care placements	1,500,000	This represents a contribution to the education element of residential social care placements
Total Top up	43,407,803	

Top ups are usually paid following an EHCP or GRIP assessment. In the last 6 years Derbyshire has seen an increase in nearly all areas as the tables overleaf show.

Independent & Non Maintained Special Schools						
	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019
Number of Places	6	6	10	9	10	6
Mainstream (Day)	6	6	10	9	10	6
Mainstream (Residential)	1	1	1	-	-	1
Special (Day)	79	81	83	89	88	108
Special (Residential)	5	4	5	4	6	8
TOTAL	91	92	99	102	104	123
Annual average cost (£k)	£41.9k	£42.7k	£39.1k	£44.2k	£46.3k	£48.1k
Total Cost £m	£3.8m	£3.9m	£3.9m	£4.5m	£4.8m	£5.9m
Change vs 2016-17 (£m)						+£1.4m

Primary EHCP/GRIPs/Statements						
	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019
No. ECHP/GRIPs/Stat's	978	1,015	1,058	1,094	1,181	1,423
Av cost (£k)	£6.0k	£6.1k	£6.1k	£5.9k	£5.5k	£5.5k
Total Cost (£m)	£5.9m	£6.2m	£6.4m	£6.4m	£6.5m	£7.8m
Change vs 2016-17 (£m)						+£1.4m

Secondary EHCP/GRIPs/Statements						
	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019
No. ECHP/GRIPs/Stat's	884	889	948	938	939	928
Av cost (£k)	£5.1k	£5.3k	£5.4k	£5.6k	£5.7	£5.6k
Total Cost (£m)	£4.6m	£4.7m	£5.1m	£5.2m	£5.3m	£5.2m
Change vs 2016-17 (£m)						£0.0m

Special Schools						
	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019
No. of pupils	737	765	783	794	797	826
Average pupil top up (£k)	£10.4k	£11.0k	£12.9k	£12.8k	£12.9k	£13.3k
Total Cost (£m)	£7.7m	£8.4m	£10.1m	£10.2m	£10.3m	£11.0m
Change vs 2016-17 (£m)						+£0.8m

ISPs and FE Colleges						
	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019
ISP	1.014	0.978	0.768	0.865	1.252	1.381
FE Colleges	0.513	1.164	1.194	1.090	1.578	1.988
Total Cost (£m)	£1.53m	£2.14m	£1.96m	£1.96m	£2.83m	£3.37m
Change since 2016-17 (£m)						+£1.41m

2.3 Services

Service:	£
Access and Inclusion	325,511
Support for inclusion	519,000
Hospital tuition	50,000
Virtual School	998,819
PRU to provision transport	523,590

Contribution to Education Psychology Service	400,000
Visually Impaired Support Service	708,818
Physical Impaired Support Service	532,869
Hearing Impaired Support Service	646,106
SEN Equipment fund	274,346
Support Service for Special Educational Needs (SSSEN)	4,591,910
Early Years SEN service (contribution to)	256,579
Behaviour Support Service	923,276
Behaviour Support TAs in mainstream schools	318,857
Positive Play	197,735
Derbyshire Nurture	303,150
Integration Pathways Team	3,630,578
Excluded pupils income	-391,000
Total Services	14,810,145

2.4 Other HNB spend

Type:	£	Note
Contribution to SEN transport	80,000	Historic contrib'n towards SEN transport (Council cost ~£10m) reflecting the fact that some DSG funded Out County placements result in a higher transport cost than might have been incurred with a more local placement
Other misc funds	189,840	Supports ad hoc support for individual SEN children, institutions and services
High Needs Block Contingency fund	350,000	Supports mainstream schools & academies with a disproportionate number of children with an EHCP/GRIP assessment and for which the requirement to fund multiple £6k contributions is unreasonable
Direct Payments	261,339	The cost of personal SEN budgets to pay for support specified in EHC plan for a child or young person with SEN. It can include funds from the local authority for education and social care and from the Clinical Commissioning Group (CCG) for health
Total Other HNB spend	881,180	

3 Overall position/issues to consider

Derbyshire's forecast HNB income & expenditure for 2019-20 (period 4) is as follows:

Forecast spend	2019-20
	£m
Places (section 2.1)	14.233
Top ups (section 2.2)	43.408
Services (section 2.3)	14.810
Other (section 2.4)	0.881
Total spend	73.332
HNB income before recoupment	69.974
O/spend vs grant	3.358

The analysis shows that the grant will be exceeded by £3.358m. This now probably understates the position as the latest Period 5 monitoring reported earlier to this meeting implies an overspend against the grant of ~£4m.

The above shortfall reflects current policies and top up rates and would be further increased if, for example, the LA were to increase Element 3 (top up) values. Assuming the HNB increase for Derbyshire for 2020-21 is around £7.8m, i.e. our pro rata share, it would just about allow for the following:

Pressure	£m	£m	Note
Cover the starting annual overspend		3.36	Period 4 figure
2% inflation on services	0.23		
2% increase in top up values	0.92		
Demographic incr. mainstream	0.82		F'cast based on trends
Demographic incr. post 16	0.76		F'cast based on trends
Demographic incr. Out County	0.86		F'cast based on trends
Demographic incr. Integrated Pathways	0.36		F'cast based on trends
Sub total – inflation/demographics		3.95	
HNB Contingency increase		0.20	Council concern
Balance (contrib'n to DSG deficit recovery)		0.29	
Total		7.80	

If Derbyshire's 2020-21 HNB increase were less than £7.8m e.g. perhaps because our current floor protection has been netted off, then one or more of the above allocations would have to be reduced, and/or a financial contribution sought from the Schools Block, as there are no uncommitted DSG reserves available with which to support expenditure over and above the level of the grant.

The DfE have indicated that provisional 2020-21 HNB allocations will be published in early October. Only once the LA has clarity about the actual settlement will it be possible to determine the steps necessary to keep spending within available resources. If more information is made available by the DfE in the next few days then an update will be tabled at tonight's meeting, otherwise a further report will be presented to the Schools Forum in November.

4. **Other Considerations** In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, HR, legal & human rights, environmental, health, property and transport considerations.
5. **Background Papers** Held within Finance.
6. **Executive Director's Recommendation** - That the Schools Forum notes the report.

Jane Parfremment
Executive Director for Children's Services

Derbyshire's HNB Grant 2019-20 per settlement

Appendix 1

	2019-20	2019-20	2019-20	
	Count	Multiplier	Allocation	Source
	£	£	£m	
Population aged 2-18	145,415	117.17	17.0388	Projected mid 2019 pop'n based on 2016 data
Health & Disability – No. children with bad health	670	3,086.40	2.0679	2011 data
Health & Disability – No. children claiming DLA	5,250	509.71	2.6760	As at November 2017
Deprivation – Free school meals (current)	13,609	245.33	3.3388	January 2018
Deprivation – IDACI Band F	15,220	34.04	0.5181	ONS mid 2016 matched to data
Deprivation – IDACI Band E	7,604	44.21	0.3362	
Deprivation – IDACI Band D	8,964	60.30	0.5406	
Deprivation – IDACI Band C	8,378	64.50	0.5404	
Deprivation – IDACI Band B	8,172	70.63	0.5772	
Deprivation – IDACI Band A	780	95.58	0.0745	
Low Attainment @ KS2	1,426	1,761.36	2.5117	
Low Attainment @ KS4	1,824	1,446.66	2.6387	Not achieving 5 GCSE's 2013-2016
Historic spend	-	-	33.0320	
Funding floor	-	-	0.6170	
Hospital Education	-	-	0.0500	
Basic entitlement	985	4,000.00	3.9400	Special schools October 2018 (910), Independent sector January 2018 (75)
Additional high needs allocation 2019-20			1.5997	
Total before import/export adjustment			72.0976	
Import/export adjustment	-297	6,000.00	-1.7805	Now -£2.124m
Total High Needs Block			70.3171	Now £69.972m

Additional information tabled at meeting

Council Motion Agreed – 17th July 2019

Derbyshire County Council recognises that schools are facing significant financial challenges as a result of rising cost pressures and funding which, although increasing in recent years, has not adequately kept pace in real terms. A variety of factors can have a significant effect on a school's financial situation, including the age and condition of its buildings, staffing levels and the complexity of the needs of its pupil population.

Council is also aware that some inclusive schools, who have developed a good reputation for supporting disadvantaged students and those with special educational needs and disabilities, feel that they have become a victim of their own success, in that their demands are increasing but the funding has not adequately reflected this.

Council recognises the National Funding Formula as a positive step forward but believes that Government must go further in making it fairer and more transparent, by removing the historic inequalities in the system and increasing the basic entitlement for schools to ensure the core running costs are met. Council also believes that significant additional investment in both the schools block and high needs block is required urgently by the Government.

In addition, Derbyshire County Council resolves to ensure every Derbyshire SEND pupil gets the education they are entitled to get by:

- Urgently reviewing the discretionary contingency fund, in consultation with the Schools Forum, so that those schools which feel penalised because they have more SEND Children can be given more financial support; and
- To continue to pressure the government for more funding to be invested in education, especially SEND; and
- To bring a report outlining progress on reviewing the discretionary contingency fund and with the government to a future Full Council meeting within the next six months.

PRIMARY SECTOR - SEN CONTINGENCY SUPPORT 2019-20 (FORMULA)			59,583	1,146	1.92%					Total value	£443,620	-£143,620	£300,000	Memo item		£181,010	
DFE	PARISH	SCHOOL/ACADEMY	No. Pupils	No. ECHP/GRIP	% ECHP/GRIP	EHCP/GRIP Rank	% above 3% T'hold	Excess No. ECHP/GRIP	Excess % ECHP/GRIP	Cost of excess	School self fund	Gross contingency claim	Scaling (to keep within budget)	Actual funding from	Cost of all EHCP/GRIP pupils	Low Prior Attainment funding	Implied shortfall
8303098	WESTON UWOOD	Mugginton CofE Primary School	54	2	3.70%	40	0.70%	0.38		£2,280	£2,893	£0	£0	£0	£12,000	£12,926	£0
8305210	SWADLINCOTE	Pennine Way Junior Academy	378	14	3.70%	40	0.70%	2.66		£15,960	£13,866	£2,094	-£678	£1,416	£84,000	£143,291	£0
8302076	CLAY CROSS	Holmgate Primary School and Nursery	218	8	3.67%	43	0.67%	1.46		£8,760	£8,458	£302	-£98	£204	£48,000	£70,582	£0
8302377	RIPLEY	Lons Infant School	82	3	3.66%	44	0.66%	0.54		£3,240	£3,637	£0	£0	£0	£18,000	£11,389	£6,611
8302623	RIPLEY	Ambergate Primary School	82	3	3.66%	44	0.66%	0.54		£3,240	£3,608	£0	£0	£0	£18,000	£18,993	£0
8303088	STANLEY	Stanley Common CofE Primary School	55	2	3.64%	46	0.64%	0.35		£2,100	£2,960	£0	£0	£0	£12,000	£14,311	£0
8303036	GLOSSOP	Whitfield St James' CofE (VC) Primary School	278	10	3.60%	47	0.60%	1.66		£9,960	£10,076	£0	£0	£0	£60,000	£72,106	£0
8303019	BUXTON	Fairfield Endowed CofE (C) Junior School	196	7	3.57%	48	0.57%	1.12		£6,720	£8,194	£0	£0	£0	£42,000	£60,171	£0
8302626	BELPER	Herbert Strutt Primary School	200	7	3.50%	49	0.50%	1.00		£6,000	£7,971	£0	£0	£0	£42,000	£61,078	£0
8302182	NEW MILLS	Thornsett Primary School	86	3	3.49%	50	0.49%	0.42		£2,520	£3,972	£0	£0	£0	£18,000	£26,559	£0
8302068	CHAPEL-EN-LE-FRITH	Combs Infant School	29	1	3.45%	51	0.45%	0.13		£780	£2,151	£0	£0	£0	£6,000	£4,579	£1,421
8303151	BAKEWELL	Bakewell Methodist Junior School	89	3	3.37%	52	0.37%	0.33		£1,980	£3,993	£0	£0	£0	£18,000	£23,017	£0
8302277	WIRKSWORTH	Middleton Community Primary School	91	3	3.30%	53	0.30%	0.27		£1,620	£4,087	£0	£0	£0	£18,000	£24,190	£0
8302275	WIRKSWORTH	Wirksworth Junior School	152	5	3.29%	54	0.29%	0.44		£2,640	£5,973	£0	£0	£0	£30,000	£33,892	£0
8303110	GLOSSOP	St Andrew's CofE Junior School	214	7	3.27%	55	0.27%	0.58		£3,480	£8,470	£0	£0	£0	£42,000	£66,043	£0
8303551	CLAY CROSS	Sharley Park Community Primary School	398	13	3.27%	56	0.27%	1.06		£6,360	£15,752	£0	£0	£0	£78,000	£125,263	£0
8303522	LONG EATON	St Laurence CofE VA Primary School	215	7	3.26%	57	0.26%	0.55		£3,300	£8,506	£0	£0	£0	£42,000	£89,379	£0
8303315	DENBY	Denby Free CofE VA Primary School	124	4	3.23%	58	0.23%	0.28		£1,680	£4,898	£0	£0	£0	£24,000	£21,462	£2,538
8303002	ASHBOURNE	St Oswald's CofE Primary School	156	5	3.21%	59	0.21%	0.32		£1,920	£5,970	£0	£0	£0	£30,000	£26,208	£3,792
8302361	DRONFIELD	Dronfield Stonelow Junior School	157	5	3.18%	60	0.18%	0.29		£1,740	£6,094	£0	£0	£0	£30,000	£36,941	£0
8302359	WINGERWORTH	Hunloke Park Primary School	222	7	3.15%	61	0.15%	0.34		£2,040	£7,952	£0	£0	£0	£42,000	£46,657	£0
8302227	SOUTH NORMANTON	The Brigg Infant School	159	5	3.14%	62	0.14%	0.23		£1,380	£6,297	£0	£0	£0	£30,000	£46,047	£0
8302029	WEST HALLAM	Scargill CofE (Aided) Primary School	415	13	3.13%	63	0.13%	0.55		£3,300	£14,525	£0	£0	£0	£78,000	£81,861	£0
8303306	CARSINGTON	Carsington and Hopton Primary School	32	1	3.13%	64	0.13%	0.04		£240	£2,137	£0	£0	£0	£6,000	£8,000	£0
8302118	HEANOR	Laceyfields Academy	97	3	3.09%	65	0.09%	0.09		£540	£4,305	£0	£0	£0	£18,000	£25,561	£0
8302124	HEANOR	Marlpool Junior School	163	5	3.07%	66	0.07%	0.11		£660	£6,606	£0	£0	£0	£30,000	£55,430	£0
8302321	HATTON	Heath Fields Primary School	229	7	3.06%	67	0.06%	0.13		£780	£8,396	£0	£0	£0	£42,000	£64,730	£0
8302169	MARSTON M'GOMERY	Marston Montgomery Primary School	33	1	3.03%	68	0.03%	0.01		£60	£2,535	£0	£0	£0	£6,000	£13,750	£0
8302375	ILKESTON	Larklands Infant School	166	5	3.01%	69	0.01%	0.02		£120	£6,728	£0	£0	£0	£30,000	£38,042	£0
8302625	BELPER	Milford Primary School	101	3	2.97%	73	0.00%	0.00		£0	N/A	N/A	£0	£0	£18,000	£17,991	£9
8303163	CHARLESWORTH	Charlesworth Voluntary Cont. Primary School	100	2	2.00%	145	0.00%	0.00		£0	N/A	N/A	£0	£0	£12,000	£11,000	£1,000
8303330	NEWTON SOLNEY	Newton Solney CofE (Aided) Infant School	52	1	1.92%	152	0.00%	0.00		£0	N/A	N/A	£0	£0	£6,000	£3,656	£2,344
8305207	QUARNDON	The Curzon CofE Primary School	134	2	1.49%	190	0.00%	0.00		£0	N/A	N/A	£0	£0	£12,000	£9,783	£2,217