

**SCHOOLS FORUM****31<sup>st</sup> January 2019****Report of the Strategic Director for Children's Services****High Needs Block Budgets 2019-20****1. Purpose of the Report**

To seek the School Forum's views on the Authority's proposed High Needs Block (HNB) budgets for 2019-20.

**2. Information and Analysis****2.1 High Needs Block income**

The DfE announced details of the High Needs Block (HNB) settlement for 2019-20 on 17 December 2018. Derbyshire's allocation is £70.318m, a breakdown of this figure is provided in Appendix 1. The like for like increase, which excludes the impact of year on year changes to the import/export adjustment, is £2.002m equivalent to a 2.86% increase. The settlement for Derbyshire includes £1.600m in both 2018-19 and 2019-20 out of the additional £125m allocated nationally in each of these years to help LAs meet HNB pressures.

As the Forum is aware Derbyshire's HNB is already under pressure. At the November 2018 Forum meeting it was reported that the HNB is forecast to overspend the grant allocation in 2018-19 by £3.408m. The additional funding approved in the settlement will be helpful in closing the gap and will help ease some of the burden on our DSG cash reserves. However, despite this additional investment, there is still an ongoing HNB shortfall in 2019-20.

**2.2 Initial review of budget proposals for 2019-20**

Spending within the HNB can be categorised as follows:

- (i) Place funding – this covers two types. The first is pre and post 16 SEN places in academies and post 16 places in LA maintained mainstream schools and special schools, college places and post 16 Charitable and Commercial Providers (CCPs). These are all funded by the ESFA by deducting monies from our gross HNB. The second type covers pre 16 places in LA special schools, Enhanced Resource provision in LA maintained schools and LA Pupil Referral Units.
- (ii) Top up funding – these sums, which are over and above the place values, are paid to providers by the LA for the children and students for which the LA is the "home" Authority. Top up rates vary depending on the type of institution and the individual child's needs that are being met, details of the current rates are provided in Appendix 3.
- (iii) Services and other centrally held budgets – in addition to the monies delegated to providers, funding is held centrally to enable some services to be free to schools and academies at the point of delivery. The central budgets also fund a range of other

costs including contingencies, contributions to LA-funded services e.g. education psychology services, contributions to high cost (complex) placements and some limited transport costs. The estimated allocations for 2019-20 are set out in Appendix 4.

### 2.2.1 ESFA funded and LA school and academy places

Work has been ongoing for several weeks with providers to establish the number of places required. As a result of this work the places which the LA currently expects to fund from the gross HNB are shown in Appendix 2, the total cost is estimated to be £14.362m, a small increase of £0.061m compared with 2018-19.

### 2.2.2 Top ups [Element 3]

The estimated cost of Element 3 top ups, based on current levels of spend and top up multipliers, is shown in Table 1 below. The total estimated cost is £41.373m, £0.577m more than the projected 2018-19 total: the 2019-20 estimate includes a 1% demographic contingency (£0.408m) in recognition of the increasing primary and secondary pupil populations. The top up multipliers are provided in Appendix 3.

**Table 1 – Estimated Element 3 top ups 2019-20**

Item	2019-20 estimate
	£
Early years top ups	361,058
Primary school/academy top ups	7,323,322
Secondary school/academy top ups	6,883,098
Post 16 College/ESP top ups	3,359,686
Special school/academy top ups	11,547,031
PRU top ups	1,403,059
OLA, Independent & NMSS top ups	9,431,744
Demographic contingency	408,480
Other devolved allocations	655,959
<b>Total</b>	<b>41,373,436</b>

### 2.2.3 Services and other centrally held budgets

The HNB funds a range of central services, the initial allocations for 2019-20 are set out in Appendix 4. The calculated costs reflect current spend with allowances for pay and price increases, including the impact of the 2018 teachers' pay award and the 2019 teachers' pension increase. The total cost of £16.867m compares with an expected spend in 2018-19 of £16.444m, the difference being largely accounted for by the impact of inflationary pressures.

### 2.2.4 SEN Contingency

The costs included in Appendix 4 includes £0.250m to be allocated to primary schools and academies with a high proportion of children with AEN. The allocations in 2018-19 reflect the decisions taken by the Schools Forum in June 2018 to adopt a formulaic approach which supported schools with more than 3% of children with a GRIP/EHCP

allocation. The gross entitlement to support was then reduced by requiring schools to make a contribution to the costs, equivalent to 1% of their budget share.

The calculated net support was then scaled back to ensure only the £0.250m approved budget was allocated. In the event 37 primary schools were supported with amounts ranging from £434 to £21,209. A list of the school supported is provided at Appendix 5.

Should the Forum wish to change the criteria for support in 2019-20 e.g. a lower threshold and/or a reduced contribution from schools then this would increase costs and add further pressure in the High Needs Block. By way of context, it should be noted that primary schools' mainstream budgets are set to have a higher amount of funding for low prior attainment with the multiplier increasing from £600 to £750 and the total delegated rising from £11.413m in 2018-19 to £15.222m in 2019-20.

The views of the Schools Forum on the operation of the SEN contingency are welcomed. Should the Forum wish to see changes made for 2019-20 then a further more detailed report would be brought to the June meeting.

### 2.3 Summary of allocations

The total value of the allocations in section 2.2 are summarised in Table 2 overleaf.

**Table 2 – Summary of allocations at this point**

<b>Budget</b>	<b>£m</b>
Places (Appendix 2)	14.362
Top ups – section 2.2.2.	41.373
Centrally held budgets (Appendix 4)	16.867
Total budgets	72.602
HNB grant	70.317
Shortfall	2.285

### 2.4 Measures to reduce the over-commitment

Work is ongoing to refine the estimated spend figures included in Table 2 but it seems inevitable that there will be a significant shortfall next year. Given the reduced level of DSG reserves measures are needed to close the gap. The actions are under consideration are set out in Table 3 overleaf:

**Table 3 – Potential measures to reduce the HNB over-commitment**

	<b>Saving 2019-20</b>	<b>Notes</b>
<b>Item</b>	<b>£m</b>	
Remove funding in central budgets for pay/pension increases	0.469	Savings managed by cost reductions e.g. not filling vacancies
Charge schools for costs of tailored provision by IPT in respect of pupils at risk of exclusion	0.400	
Reduction in early help contribution	0.301	
Reduction in vulnerable children's fund	0.124	Leaves £0.1m
Reduced subsidy for behaviour support/Positive Play and Nurture groups	0.100	Reduction in cost and/or increase in traded income
Measures identified from strategic SEND review	TBC	
<b>Total</b>	<b>1.394</b>	

With regard to the teachers' pensions, the government are currently consulting on who to allocate funding to in respect of the expected increases in employer TPS contributions. The consultation proposes allocating funding to LAs as well as schools and academies which is a different approach to that taken with the Teacher's Pay grant. The consultation closes second week of February and there is no detail on what sum might be available for distribution, how it would be distributed or what the increase in employer TPS rates will be. If the increase costs to central budgets were to be funded by the government then this would help achieve the overall saving requirement.

Assuming all of the reductions are achieved, this would leave the HNB reliant on DSG reserves of £0.891m in 2019-20. In view of the £1.600m additional HNB resources allocated by the government in 2018-19, the above shortfall is manageable. However, for 2020-21 further savings, including measures resulting from the SEND review, and/or a transfer of resources from the Schools Block will need to be considered in order to avoid the overall DSG overspending.

Final decisions on the 2019-20 HNB allocations will be determined by Cabinet in March, however the views of the Schools Forum on the priorities for 2019-20 would be welcomed.

## 2.5 Special school de-delegation

Funding in respect of redundancy costs and services previously funded by the Education Services Grant (ESG) have been top-sliced from LA mainstream schools' budgets. With regard to the equivalent services for LA special schools, decisions on whether or not to top-slice funding for redundancy and/or former ESG funded services is a matter for the special school sector representative on the Forum. If the Authority does not agree with the Forum representative's decisions it may appeal to the Secretary of State. The proposed top-slice rates for special schools for 2019-20 are set out in Table 4 overleaf:

**Table 4 – Top-slice charges for Special Schools and PRUs 2019-20**

	Per Pre 16 Place		
Sector/multiplier	Redundancy	Other former ESG Services	Total
Multiplier	<b>£37.23</b>	<b>£20.00</b>	<b>£57.23</b>

The special school representative is asked to determine whether or not they wish the funding for redundancy costs and former ESG funded services to be top-sliced in 2019-20 for their sector.

With regards to the PRUs, it is expected that by 1 April 2019 the current LA maintained PRU will have converted to academy status and hence is not covered by this report.

### **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. Strategic Director's Recommendations**

- (i) The Schools Forum is asked to note the report and offer its views on the issues raised;
- (ii) The special school representative is asked to determine whether or not to agree to funding being top-sliced from special schools' budgets for redundancy costs for 2019-20; and
- (iii) The special school representative is asked to determine whether or not to agree to funding being top-sliced from special schools' budgets for former ESG funded services for 2019-20.

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



**Derbyshire's NFF High Needs Block allocation 2019-20**

**Appendix 1**

Indicator	Multiplier	Count	2019-20 Total	Original 2018-19 Total
	(£)		(£m)	(£m)
Population aged 2-18	117.17	145,415	17.039	17.008
Health & Disability – No. children with bad health	3,086.40	670	2.068	2.033
Health & Disability – No. children claiming DLA	509.71	5,250	2.676	2.663
Deprivation – Free school meals (current)	245.33	13,609	3.339	3.207
Deprivation – IDACI Band F	34.04	15,220	0.518	0.519
Deprivation – IDACI Band E	44.21	7,604	0.336	0.337
Deprivation – IDACI Band D	60.30	8,964	0.541	0.530
Deprivation – IDACI Band C	64.50	8,378	0.540	0.528
Deprivation – IDACI Band B	70.63	8,172	0.577	0.573
Deprivation – IDACI Band A	95.58	780	0.075	0.073
Low Attainment @ KS2	1,761.36	1,426	2.512	2.349
Low Attainment @ KS4	1,446.66	1,824	2.639	2.798
Historic spend		-	33.032	33.025
Funding floor		-	0.617	0.628
Hospital Education		-	0.050	0.050
Basic entitlement - no. pupils in spec schools/post 16	4,000.00	985	3.940	3.776
Additional allocation 2019-20			1.600	0.000*
<b>Sub total before import/export adjustment</b>			<b>72.099</b>	<b>70.097</b>
Import/export adjustment	6,000.00	-296.75	-1.781	-1.446
<b>Total High Needs Block</b>			<b>70.318</b>	<b>68.651</b>
<b>Memo item:</b>				
Year on year change vs original 2018-19 pre import/export adj. (£m)				<b>+2.002</b>
Year on year change vs original 2018-19 pre import/export adj. (%)				<b>+2.86%</b>

\* 2018-19 subsequently increased in Dec 2018 announcement

High Needs Places 2019-20			Appendix 2						
DfE ERS	School	Type	Places 2018-19		Places 2019-20		Budget		Change £
			April	September	April	September	2018-19	2019-20	
2025	SPRINGFIELD JUNIOR	Academy	14.00	12.00	12.00	8.00	77,000	58,000	-19,000
2026	NEW WHITTINGTON PRIMARY	Academy	9.00	10.00	10.00	9.00	57,500	56,500	-1,000
2036	DUNSTON PRIMARY AND NURSERY ACADEMY	Academy	6.00	6.00	6.00	6.00	36,000	36,000	0
2037	LANGLEY MILL ACADEMY	Academy	5.00	5.00	5.00	6.00	30,000	33,500	3,500
4004	OUTWOOD ACADEMY NEWBOLD	Academy	16.00	16.00	16.00	16.00	96,000	96,000	0
4052	THE LONG EATON	Academy	11.00	10.00	10.00	11.00	62,500	63,500	1,000
4500	QUEEN ELIZABETH'S GRAMMAR	Academy	5.00	4.00	4.00	0.00	26,500	10,000	-16,500
5410A	THE PINGLE (AREA)	Academy	26.00	29.00	29.00	29.00	166,500	174,000	7,500
5410C	THE PINGLE (AUTISTIC)	Academy	15.00	15.00	15.00	15.00	90,000	90,000	0
2011	BRAMPTON PRIMARY	Maintained	14.00	14.00	14.00	14.00	84,000	84,000	0
2013	CHAPEL-EN-LE-FRITH C E (VC) PRIMARY	Maintained	19.00	19.00	19.00	19.00	114,000	114,000	0
2116	ALDERCAR INFANT AND NURSERY	Maintained	8.00	8.00	8.00	8.00	48,000	48,000	0
2190	PILSLEY PRIMARY (CHESTERFIELD)	Maintained	9.00	9.00	9.00	9.00	54,000	54,000	0
2268	WHALEY BRIDGE PRIMARY	Maintained	10.00	10.00	10.00	10.00	60,000	60,000	0
2333	HILLTOP PRIMARY	Maintained	5.00	5.00	5.00	5.00	30,000	30,000	0
2356	ELMSLEIGH INFANT AND NURSERY	Maintained	16.00	16.00	16.00	16.00	96,000	96,000	0
4019	CHAPEL-EN-LE-FRITH HIGH	Maintained	38.00	36.00	36.00	34.00	221,000	209,000	-12,000
4074	THE WILLIAM ALLITT	Maintained	3.00	3.00	3.00	1.00	18,000	11,000	-7,000
4089B	ALDERCAR COMMUNITY LANGUAGE COLLEGE (F)	Maintained	9.00	9.00	9.00	10.00	54,000	57,500	3,500
4089D	ALDERCAR COMMUNITY LANGUAGE COLLEGE (F)	Maintained	0.00	0.00	0.00	1.00	0	3,500	3,500
4173	TIBSHELF COMMUNITY (OPENED SEPT 14)	Maintained	19.00	17.00	17.00	19.00	107,000	109,000	2,000
4191	GLOSSOPDALE COMMUNITY COLLEGE	Maintained	2.00	0.00	0.00	0.00	5,000	0	-5,000
	<b>Total ERS</b>		<b>259.00</b>	<b>253.00</b>	<b>253.00</b>	<b>246.00</b>	<b>1,533,000</b>	<b>1,493,500</b>	<b>-39,500</b>
<b>Special</b>									
7001	Holbrook	Academy	120.00	120.00	120.00	120.00	1,200,000	1,200,000	0
7014	Bennerley Fields	Academy	87.00	87.00	87.00	88.00	870,000	875,833	5,833
7017	Peak	Academy	52.00	52.00	52.00	55.00	520,000	537,500	17,500
7019	Stanton Vale	Academy	85.00	85.00	85.00	85.00	850,000	850,000	0
7000	Holly House	Maintained	43.00	43.00	43.00	43.00	430,000	430,000	0
7005	Brackenfield	Maintained	72.00	72.00	72.00	72.00	720,000	720,000	0
7006	Ashgate Croft	Maintained	138.00	138.00	138.00	139.00	1,380,000	1,385,833	5,833
7009	Swanwick Sports	Maintained	82.00	82.00	82.00	82.00	820,000	820,000	0
7012	Stubbin Wood	Maintained	132.00	132.00	132.00	135.00	1,320,000	1,337,500	17,500
7018	Alfreton Park	Maintained	85.00	85.00	85.00	85.00	850,000	850,000	0
	<b>Total Special</b>		<b>896.00</b>	<b>896.00</b>	<b>896.00</b>	<b>904.00</b>	<b>8,960,000</b>	<b>9,006,667</b>	<b>46,667</b>
<b>PRU</b>									
1106	South Derbyshire	Academy	16.00	16.00	16.00	16.00	160,000	160,000	0
1102	Amber Valley	Maintained	156.00	156.00	156.00	156.00	1,560,000	1,560,000	0
1111	North East Derbyshire	Maintained	100.00	100.00	100.00	100.00	1,000,000	1,000,000	0
	<b>Total PRU</b>		<b>272.00</b>	<b>272.00</b>	<b>272.00</b>	<b>272.00</b>	<b>2,720,000</b>	<b>2,720,000</b>	<b>0</b>



High Needs Places 2019-20									
DfE	School	Type	Places 2018-19		Places 2019-20		Budget		Change
			April	September	April	September	2018-19	2019-20	£
<b>Post 16</b>			<b>April</b>	<b>August</b>	<b>April</b>	<b>August</b>			
4000	SWANWICK HALL	Academy	1.00	1.00	1.00	1.00	6,000	6,000	0
4052	THE LONG EATON	Academy	2.00	1.00	1.00	2.00	8,000	10,000	2,000
4196	BROOKFIELD COMMUNITY	Academy	3.00	2.00	2.00	1.00	14,000	8,000	-6,000
5400	NETHERTHORPE	Academy	4.00	3.00	3.00	0.00	20,000	6,000	-14,000
5401	THE ECCLESBOURNE	Academy	2.00	2.00	2.00	0.00	12,000	4,000	-8,000
5408	HEANOR GATE SCIENCE COLLEGE	Academy	1.00	1.00	1.00	0.00	6,000	2,000	-4,000
5409	FRIESLAND	Academy	2.00	1.00	1.00	0.00	8,000	2,000	-6,000
5410	THE PINGLE	Academy	2.00	4.00	4.00	2.00	20,000	16,000	-4,000
5413	ST MARY'S CATHOLIC HIGH	Academy	3.00	3.00	3.00	2.00	18,000	14,000	-4,000
4111	HOPE VALLEY (POST 16 ONLY)	Academy	24.00	22.00	22.00	22.00	136,000	132,000	-4,000
4034	TUPTON HALL	Maintained	3.00	2.00	2.00	0.00	14,000	4,000	-10,000
4054	WILSTHORPE COMMUNITY	Maintained	1.00	0.00	0.00	0.00	2,000	0	-2,000
4057	NEW MILLS - CLOSING SEPT18	Maintained	3.00	0.00	0.00	0.00	6,000	0	-6,000
4089	ALDERCAR HIGH	Maintained	26.00	24.00	24.00	25.00	148,000	148,000	0
4174	HIGHFIELDS	Maintained	1.00	1.00	1.00	3.00	6,000	14,000	8,000
4191	GLOSSOPDALE COMMUNITY COLLEGE	Maintained	3.00	1.00	1.00	1.00	10,000	6,000	-4,000
4505	ANTHONY GELL	Maintained	1.00	2.00	2.00	3.00	10,000	16,000	6,000
4509	DRONFIELD HENRY FANSHAWE	Maintained	0.00	0.00	0.00	1.00	0	4,000	4,000
4510	BUXTON COMMUNITY	Maintained	0.00	0.00	0.00	1.00	0	4,000	4,000
5404	BELPER SCHOOL AND SIXTH FORM CENTRE	Maintained	2.00	0.00	0.00	0.00	4,000	0	-4,000
5411	LADY MANNERS	Maintained	2.00	2.00	2.00	1.00	12,000	8,000	-4,000
	<b>Total Post 16</b>		<b>86.00</b>	<b>72.00</b>	<b>72.00</b>	<b>65.00</b>	<b>460,000</b>	<b>404,000</b>	<b>-56,000</b>
<b>FE</b>									
	Chesterfield College	FE	75.00	67.00	67.00	67.00	418,000	402,000	-16,000
	University of Derby	FE	13.00	46.00	46.00	61.00	210,000	336,000	126,000
	<b>Total FE</b>		<b>88.00</b>	<b>113.00</b>	<b>113.00</b>	<b>128.00</b>	<b>628,000</b>	<b>738,000</b>	<b>110,000</b>
	<b>Total DCC</b>		<b>1,601.00</b>	<b>1,606.00</b>	<b>1,606.00</b>	<b>1,615.00</b>	<b>14,301,000</b>	<b>14,362,167</b>	<b>61,167</b>

File Summary MTFP incl 2019-20 budgetv5.xls

<b>Special School Profile</b>	<b>Descriptor</b>	<b>Top Up £</b>
MSI	Multi-Sensory Impairment	49,262.97
ECB	Extremely Challenging Behaviour	49,262.97
HD	High Dependency	24,154.89
SEMHD	Social Emotional & Mental Health Difficulties	24,154.89
ELD	Extreme Learning Difficulty	17,323.06
SEBD	Severe Emotional & Behavioural Difficulty	16,233.94
ECOM	Extreme Communication Difficulty	15,424.55
COM	Autism/Communication Difficulty	11,274.21
EBD	Emotional & Behavioural Difficulty	11,015.79
SSI	Severe Sight Impairment	5,847.25
PHYS	Severe Physical Impairment	5,847.25
SHI	Severe Hearing Impairment	5,847.25
SLD	Severe Learning Difficulty	5,847.25
OLD	Other Learning Difficulty	1,712.42

<b>PRU Profile</b>	<b>Top Up £</b>
Kirk Hallam	12,126
Sawley	2,193
Bennerley	9,524
Alternative Provision Team	3,156
Newhall	18,522
Barrow Hill	7,160
Hasland	2,889
Chapel	4,870
Buxton	20,810
<b>ER School Profile</b>	<b>£</b>
<b>A – Area ERS</b>	<b>6,523.10</b>
(W' Bridge Prim, Chapel High, William Allitt, Glossopdale, Pingle, Hope Valley, QEGS)	
<b>B – Deaf/Hearing Impaired ERS</b>	<b>7,855.74</b>
(Aldercar Inf, Langley Mill Jnr, New Whittington Prim, Aldercar Language College)	
<b>C – Autism ERS</b>	<b>9,108.65</b>
(Brampton Prim, Chapel Prim, Pilsley Prim, Springfield Jnr, Elmsleigh Inf, Tibshelf., Pingle, Outwood Newbold, Long Eaton)	
<b>D – Physical Impairment ERS</b>	<b>19,744.48</b>
(Dunston Primary, Aldercar Language College, Hilltop)	

Proposed centrally held HNB budgets 2019-20 before savings measures

Appendix 4

<b>Budget</b>	<b>£</b>
Access and inclusion	1,865,632
Behaviour Support	1,699,347
Positive Play	201,625
Derbyshire Nurture	312,950
Integrated Pathways	3,008,405
Excluded Pupils clawback	-391,000
Hospital tuition	50,000
Virtual school	1,020,816
PRU transport (PRU to provision)	350,000
Contribution to education psychology service	400,000
Specialist SEN services (Includes SSSEN, PI,HI & SI)	7,059,455
Vulnerable Children's Fund/SEN contingency	524,000
Other	685,866
Contribution to SEN transport	80,000
<b>Total</b>	<b>16,867,096</b>



