



SCHOOLS' FORUM MEETING

22nd September 2016

High Needs Funding

1. Introduction

1.1 The High Needs budget for 2016/17 is currently forecast to be overspent and the Council no longer holds reserves to cover the overspend. This paper informs Schools Forum of some of the issues leading to an overspend and the options for funding it.

2. The Budget for High Needs

2.1 The budget is set between October and December and the number of pupils that might require additional SEN funding the following September has to be estimated. Whilst the numbers of existing pupils can be used to some extent, it is difficult to predict what will happen when pupils change schools, e.g., between primary and secondary.

2.2 Another area of uncertainty when setting the budget is around Post 16 placements as it is difficult to obtain information on which existing high needs pupils may go on to further education. At the same time, colleges are actively encouraging high needs pupils to attend without first seeking agreement for funding. Furthermore, more post 16 students now remain in education or training yet additional central funding does not appear to match this accurately.

3. Detailed breakdown of current forecast

3.1 The main area of spend is on the SEN budget of £3.104m and can be broken down as follows:

	Budget £'000	No. Of Pupils (FTE)	Forecast £'000	No. Of Pupils (FTE)	Comment
RCC Mainstream	310	62.67	316	64.63	Payment to RCC schools for pupils with statement / EHC in a main school setting
DSP Units	555	n/a	627	n/a	£10k place funding payable even if vacant ¹ .
Independent Special	1,599	26.33	1,510	26.83	Payments to special schools outside of local authority control – only one of which is in county
Non Maintained Special	186	4.00	87	2.33	Payments to out of county non maintained

¹ Views are sought on how appropriate this is as a means of funding DSPs and how we might increase take-up of places.

					special schools
Other LA's Special	294	28.00	394	31.69	Out of county
Other LA's Maintained	44	6.00	35	4.33	Out of County
Post 16 Students	76	10.00	229	27.28	Payments to colleges for post 16 placements – In and out of county
Direct Payment	0	0	10	0.67	Payment to Parent of child
Contingency	40	0	0	0	
	3,104	137.00	3,208	157.76	

3.2 As can be seen from the table, one of the main areas of increase in expenditure is on the Post 16 funding. £66k of this expenditure is still to be confirmed as it relates to pupils who are potentially just starting college and the level of support required for these students has not yet been agreed.

3.3 What Drives cost?

There are a number of factors that drive costs making this budget one that is difficult to set and predict. The main drivers are:

- The number of pupils requiring additional support
- The complexity of their requirements – the costs can range from £1k up to £300k depending on needs
- Whether mainstream schools can support the pupil or whether they need a specialist placement
- Parental choice
- The Settings – there is a wide variation between placement costs dependent on where a pupil ends up

3.4 The Overall Forecast:

As shown in the budget 2016/17 update paper, the High Needs budget is showing a forecast overspend of £114.1k for the financial year. With some slight underspends on other centrally retained budgets, the overall DSG overspend is forecast to be £96k.

3.5 The Options for Funding Overspend:

The DfE set out under the Fairer Funding for Schools documentation in 2012/13 that local authorities would have two choices if the DSG overspends:

- a) It can write off the overspend to the General Fund leaving the DSG in balance going forward; or,
- b) It can recoup the overspend from schools funding

3.6 The DSG has previously had reserves that could have been used to offset this overspend allowing the Council to recoup the cost without impacting on individual school budgets. However, these reserves (in agreement with Schools Forum) have been distributed to schools and are no longer available to the Council.

3.7 The funding could be recouped from schools in a number of ways, as follows:

- It could be recouped in 2016/17 by agreeing a charge per school
- It could be recouped by topslicing it from the 2017/18 schools block allocation prior to the funding being distributed to individual schools

- A method of recharging schools for the overspend could be agreed by Schools Forum to be charged to schools at the beginning of 2017/18 (April/May) when the actual overspend is known.

4. **Recommendations**

4.1 Schools Forum are asked to consider the options for recouping the forecast overspend.

Dawn Greaves
Finance Manager - Accounting
8th September 2016