



## SCHOOLS' FORUM MEETING

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29th June 2017

### High Needs Forecasting Update

#### 1. Executive Summary

##### 1.1. Background

- 1.1.1 There are significant pressures on the High Needs Block, as has been reported to Forum previously. The financial pressures and growth in demand faced within the High Needs Area is a national issue and reflected in Rutland's discussions with colleagues from other LA's. It is clear that most are experiencing the same issues.
- 1.1.2 In the last five years expenditure on high needs in Rutland has increased by 31% from £2.7m in 2012/13 to £3.5m in 2016/17. At the same time, funding from the Department for Education (DfE) has remained fairly static resulting in less funding being available to allocate directly to schools.

##### 1.2. Objectives

- 1.2.1 The main objectives of the report are:
1. To discuss the pressures on the High Needs budget both nationally and locally.
  2. To review how forecasting has been done in the past including the reasons why it has been difficult to achieve a high level of accuracy (see section 3.3). To propose a new way of forecasting for 2017/18 onwards which will provide more transparency and certainty around actual costs (see section 6.3)
  3. To look at the options available for dealing with pressures including noting action already planned.
  4. To look at options for dealing with overspends (should they occur).

##### 1.3. Structure

- 1.3.1 The report includes the following:
- A look at the funding position to set the context of what is available to spend on high needs and how this might change in the future (see section 2).
  - A comparison of national data and information with Rutland both in terms of the number of children and young people being supported (section 3.1) and the financial picture (see section 3.2)
  - A review of how the forecast has been done in the past and how this has led to inconsistencies between the forecast and the actual spend at year end (see section 3.3)

- A review of what options are available to the Council for dealing with overspends on the High Needs budget should they arise in the future (see section 4)
- A summary of actions being taken/planned (see section 5)

## **1.4. Key Issues in Report**

1.4.1 The main issues highlighted within the report are as follows:

- Schools and local authorities have seen significant restrictions on funding and this situation is unlikely to improve in the short term. Therefore, both the Council and Schools will need to live within our means (see section 2 of the report)
- Nationally and locally there has been significant increases in the number of children and young people with statements or EHC plans (see para 3.1.4 and 3.3.2).
- Many local authorities, including Rutland, have a deficit in the High Needs funding which is being filled by reserves (which are running out) or movements from other blocks (see section 3.2)
- The forecasting of actual spend on High Needs compared to budget has proved difficult due to a number of factors that has resulted in the outturn being significantly different to that forecast for a number of years (see section 3.3)
- Rutland has a number of issues including the fact that the number of pupils being placed in a specialist setting out of county increasing by 54% and an increase in post 16 placements (see section 5)
- The local authority is working closely with schools to address the issues being faced with regards to High Needs funding to ensure that pupils in Rutland are supported efficiently and effectively (see section 5.1).

## **1.5. Recommendations**

1.5.1 Schools Forum is asked to note the following:

- The ongoing consultation on the revised SEND and Inclusion Strategy (para 5.1.1)
- The requirement for schools to nominate a representative for the SEND Strategic Group to commence in September (para 5.1.11)
- The requirement for schools to nominate representatives to sit on the High Needs Funding Panel (para 5.1.12)
- The requirement for schools to communicate and support parents to consider alternative options for earlier support before they request a statutory assessment (para 5.1.9)

- The requirement for schools to nominate representatives to shape the capital spend on SEND project plan as detailed in section 5.2
- The proposed changes to the way that High Needs will be forecast in the future as detailed in section 5.3
- The proposal to set up a working group to review the options available for dealing with any future overspends as detailed in section 5.4

## **2. Funding Position**

2.1 The DfE allocates funding to local authorities for schools in three notional blocks:

- The Schools Block – funding allocated based on the Schools Block Unit of Funding (SBUF) multiplied by the number of pupils;
- The High Needs Block - funding allocated as a lump sum based on historic spend; and,
- The Early Years Block – funding allocated based on a new national funding formula

2.2 Local authorities have, in the past, been able to move funds between the blocks in order to best meet local needs. However, the changes introduced in 2017/18 to the Early Years Block has resulted in that block being ringfenced and at the same time Rutland saw its funding in the block reduced, resulting in less money being available to the Early Years providers.

2.3 The Conservative Party manifesto promised £4bn extra by 2022 and other parties have also vowed to increase funding to schools however it is too early to understand what this might mean for the future. What we do know is that the DfE have been consulting on proposals to change the way funding is allocated to local authorities for the High Needs block and is looking to introduce a national formula using factors such as Disability and Health. The proposed changes would see the blocks being ringfenced and the funding for Rutland capped at the 2017/18 funding level. Therefore we have little choice but to live within our means.

## **3. National Picture and Comparison to Rutland**

### **3.1. Number of children and Young People**

3.1.1 There were 175,233 children and young people with statutory Education, Health and Care (EHC) plans and 112,057 children and young people with statements of special educational needs (SEN) maintained by local authorities as at January 2017. This gives a combined total of 287,290 children and young people, an increase of 30,975 (12.1%) from 256,315 as at January 2016.

3.1.2 The table below shows the number and percentage of children and young people with statements or EHC plans by age group (National figures - January 2017)

<b>Age Group</b>	<b>National Figures</b>	<b>Rutland Figures</b>
Under 5 years of age	11,629 (4%)	1 (0.5%)
Age 5-10	97,379 (33.9%)	34 (18.0%)
Age 11-15	112,540 (39.2%)	79 (41.8%)
Age 16-19	58,034 (20.2%)	62 (32.8%)
Age 20-25	7,708 (2.7%)	13 (6.9%)
<b>Total</b>	<b>287,290 (100.0%)</b>	<b>189 (100.0%)</b>

3.1.3 As can be seen from the above table, Rutland would appear to support more children and young people aged 11 and above than the national average with fewer being supported at an earlier age. However, the information is limited to those pupils with a statement or EHC plan and therefore could be misleading.

3.1.4 The combined total of children and young people with statements and EHC plans has increased steadily each year since 2010. More significant is the size of increases in the number of children and young people with statements and EHC plans in the last two years of 6.7% in 2016 and 12.1% in 2017 as shown in the table below:

<b>Year</b>	<b>No of children and young people</b>	<b>Increase on previous year</b>
2010	228,221	
2011	229,017	796 (0.3%)
2012	230,156	1,139 (0.5%)
2013	233,431	3,275 (1.4%)
2014	237,111	3,680 (1.6%)
2015	240,183	3,072 (1.3%)
2016	256,315	16,132 (6.7%)
2017	287,290	30,975 (12.1%)

3.1.5 The table below shows the number and percentage of children and young people with statements or EHC plans on roll at an establishment by establishment type.

	<b>National</b>		<b>East Midlands</b>		<b>Rutland</b>	
	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>	<b>No.</b>	<b>%</b>
Early years settings in the private and voluntary sector	1,136	0.4	75	0.4	0	0.0
Mainstream School	107,171	37.3	7,598	36.6	68	36.2
Special School (including DSP Units)	136,404	47.5	10,272	49.5	79	42.0
Alternative Provision	2,209	0.8	152	0.7	0	0.0
Further Education	32,066	11.2	2,075	10.0	38	20.2
Excluded/Other arrangements	8,304	2.9	594	2.9	3	1.6
<b>Total</b>	<b>287,290</b>		<b>20,766</b>		<b>188</b>	

- 3.1.6 As can be seen from the table in 3.1.5, whilst the East Midlands as a whole is more or less in line with the national picture, Rutland would appear to have significantly higher numbers being supported in Further Education.
- 3.1.7 There were 37,751 children and young people assessed and a decision was taken whether or not to issue an EHC plan during the 2016 calendar year. Of these, 36,094 (95.6%) had new EHC plans made during the 2016 calendar year. A further 10,654 children and young people were either still being assessed, or had completed the assessment but a decision had not yet been made whether to issue an EHC plan as at January 2017.
- 3.1.8 There were 14,795 initial requests for an assessment for an EHC plan that were refused during the 2016 calendar year, an increase of 3,860 (35.3%) from the 2015 calendar year.  
(Source: SEN Statistics January 2017)
- 3.1.9 With regards to the number of pupils being supported by schools in Rutland and the Council:
- The total number of children who have SEN and/or a disability is 715. This is 13.6% of the total number of children on roll in Rutland schools (Census: January 2017)
  - 363 children with an SEND living in Rutland (Local Authority Data - May 2017)
  - Of the children on a statutory plan or SEN Support : For Primary, 1.6% have a statement or EHCP and 10.2% of children receive SEN support; and for Secondary, 2.3% have a statement or ENCP and 13.3% receive SEN support
  - 194 children living in Rutland are on an EHC Plan, including those on a 'Statement' transferring to an EHCP (May 2017)
  - 57 children living in Rutland attend an out of county special school
  - 40 young people living in Rutland attend Post-16 out of County colleges
  - 5 pupils who are Rutland children looked after, attend Rutland schools, of whom 3 are in receipt of SEN Support (Census: January 2017)
  - 133 children with a disability are in receipt of Aiming High short breaks or positive activities
  - 23 children with a disability are in receipt of Social Care (CiN) care packages
  - 2 children with SEND are receiving tuition at home (medical need)
  - 1 child with SEND is currently without a school place
  - 1 young person currently has a permanent exclusion

- 29 children/young people have fixed period exclusions (May 2017) – 10 of whom have a Statement/EHC Plan or are receiving SEN Support in school
- 6 children/young people living in Rutland are electively home educated (May 2017) 1 primary, 5 secondary (year 11 - leavers in June 2017)

3.1.10 The attainment data below provided the impetus to undertake a review of our SEND practice and provision, recognising that the SEND system and the EHCP process was not effectively delivering the outcomes for children. However it should be noted that percentages when dealing with small numbers can be misleading; it appears that no children identified with SEND statement /EHCP achieved required standard except for at GCSE – this could be that numbers are low and are so suppressed from national publication because it might lead to identification of individual children

	Measure	Rutland Statement / EHCP	National Statement / EHCP	Rutland SEN Support	National SEN Support	No SEN
EYFSP	Good Level of Development	0%	4%	30%	23%	75%
Phonics (Year 1)	Achieving “Working At” level	0%	18%	42%	46%	89%
KS1	Reaching Expected Standard in RWM	0%	N/A	6%	N/A	70%
KS2	Reaching Expected Standard in RWM	0%	7%	10%	16%	60%
KS4	5+ A*-C GCSEs including English & Maths	25%	10.5%	48%	29%	75%

## **3.2. Financial Picture - National**

3.2.1 Many Local Authorities have a deficit in the High Needs block which is being filled either by the last of reserves or movements from other blocks. The first consultation implied that movement from other blocks will be unlikely in the future. This position has not changed. This has to be a significant concern for Rutland in providing future support for our most vulnerable pupils. We have obtained information (from publically available reports) on the position of the High Needs Fund across various authorities to get an understanding of the issues. For example:

### **Herefordshire**

Forecasted an overspend in High Needs for 2016/17 of £1m which is a 7% pressure. A package of cuts and reductions and invest to save proposals were agreed for 2016/17 to set a balanced high needs budget.

### **Leicestershire**

Historic £2m per year transfer from Schools Block. A further 1% reduction in AWPU for 2016/17 was required to fund pressures and the High Needs Budget given a savings target. Forum advised of this action but not asked to sanction it. 2015/16 HNB overspend funded from DSG reserve, similar action likely for 2016/17.

**Plymouth**

Overall DSG funding gap in 2016/17 of £250k that is being covered by the last bit of contingency. Historically £2m transferred from the Schools Block to the High Needs Block. In 2015/16 the HNB overspent by £300k despite having an additional £1.8m from the Schools Block.

**East Riding**

In 2015/16 the high needs budget overspent by £790k, with an expected overspend of £949k (5%) forecast for 2016/17. The 2015/16 overspend was met from central schools reserves. No decision has yet been taken on how to fund the 2016/17 overspend, although expect the reserve to be called upon again. This would use up the remaining central schools reserves.

**Hampshire**

Last year moved £4m from schools block to High Heeds block and anticipating needing to do at least that again this year.

**South Gloucestershire**

Significant overspend being projected by the end of 2016/17.

**Dorset**

Previously there has been around £0.7m pa underspend but this looks like converting to £2m overspend last year and a further £2m this year.

**Oxfordshire**

Overspend is anticipated to be in the region of over £1m and this is after LA and Forum agreed some changes to the 2016-17 budget.

**Somerset**

Pressure in 2015/16 just under £2m (6.8%) and £2m (7.1%) for 2016/17. Shortfall in 2015/16 funded from reserves, but reserves have been fully utilised, so likely deficit at the end of the year. Likely to approach Forum for Schools Block funding to cover HNB deficit.

**3.3. Rutland Forecast and Budget**

- 3.3.1 The budget for High Needs is set between October and December of the previous year and is based on an estimate of how many pupils may require support from the following September. During the year forecasts are produced of the expected expenditure which will include pupils who were unknown at the time of setting the budget.

3.3.2 Traditionally the high needs budget has forecast overspends which have not materialised at year end as shown in the table below:

<b>Financial Year</b>	<b>Budget £'000</b>	<b>Forecast £'000</b>	<b>Outturn £'000</b>	<b>No of statement/ EHCPs</b>	<b>No in O/C Special School</b>	<b>No of Post 16</b>	<b>No of Permanent Exclusions</b>
2013/14	3,248	3,494	3,061	171	37	7	6
2014/15	3,251	3,313	3,098	174	44	25	10
2015/16	3,444	3,397	3,226	178	42	30	6
2016/17	3,506	3,956	3,545	189	53	24	2

3.3.3 Rutland has seen an increase in the number of pupils with a statement or EHCP up 18 since 2013/14 which equates to an 11% increase. However, more significantly, the number of pupils being placed in a specialist setting out of county has increased from 37 to 57. These placements tend to cost significantly more than the in county provision and therefore creates a significant pressure on the budget.

3.3.4 The table also shows that like most other authorities, we have seen a significant increase in the number of post 16 placements due to more young people staying in education and colleges offering more courses for these pupils with the expectation of additional funding from the Local Authority being provided.

3.3.5 The main reason why the outturn position varies from the forecast is due to the way in which the forecast deals with new pupils assessed as requiring additional support. Once a provisional assessment has been made and a need has been identified, an estimate of the cost of a potential placement is added to the forecast even though the placement has not yet occurred. This can lead to some significant variances in the forecast as the cost of placements can vary significantly from £1k to over £100k depending on need and type of placement.

3.3.6 An example in 2016/17 was a child who at initial assessment stage, was assessed as potentially requiring a placement at a special school. In order to include a cost in the forecast, a worst case scenario of a placement in an Independent Special School was used at an approximate cost of £20k per term. The final placement agreed for the child was at a Special Academy costing £1.3k per term. As this placement occurred early in the year and was therefore forecast for the whole year, this made a difference between forecast and actual costs of approximately £56k

3.3.7 The process and events from initial assessment to final confirmation of the package is complex and subject to a number of decisions and inputs dictated by the SEND Code of Practice. It can take a number of months before an actual placement is finalised and the actual costs known. This can also lead to an over estimation of the costs. An example in 2016/17 was a child assessed as requiring a specialist placement from the start of the financial year and therefore the forecast included costs of £20k per term for the whole year. The placement didn't actually commence until the autumn term and so the forecast was £20k higher than the actual costs.

3.3.8 Other factors that can drive costs and therefore influence the forecast are:

- The number of pupils requiring support
- The complexity of their requirements
- 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

#### **4. How can ‘overspends’ be managed**

4.1 Options are as follows:

- **Write off to the General Fund** – The DfE set out under the Fairer Funding for Schools documentation in 2012/13 that local authorities could write off the overspend to the General Fund leaving the DSG in balance going forward. In order for this to happen, the Members would need to approve the write off. However, Rutland like most authorities has seen the funding it receives from Government also cut and therefore it is unlikely that Members would agree to all overspends being funded by the General Fund.
- **Using the DSG reserve** – some authorities are using the DSG reserve. We do not have a DSG reserve as Forum agreed for it to be redistributed to schools and in total £827k has been redistributed to schools in 2015/16 and 2016/17. Interestingly at that time the Education and Skills Funding Agency (ESFA) were supportive of this move. In recent conversations (subsequent to all funding changes), the ESFAs view appears to have changed and they now suggest that the Council should retain underspends centrally. In hindsight, the Forum might not make the same decision today and from a local authority perspective we would probably suggest it didn't. One of the options therefore open to us has been closed.
- **Switching funding between blocks** –we can through our budget shift funding between blocks. The Forum, after a long discussion on the potential overspend on high needs has chosen not to do this in 2017/18 but is instead supporting the Council in looking at ways of working together so as to reduce the costs on the high needs budget during the year. We can shift funding between blocks but ultimately we may not be able to do this from 2018/19 if the proposed national funding formula goes ahead as planned. Also, it potentially creates a pressure elsewhere.
- **Claw back in another way** – the School and Early Years Finance Regulations Section 12 (1) (please see the link below) which allows LA's in agreement with the schools forum to fund any deficit from the schools budget.  
'12.—(1) on the application of a local authority, its schools forum may authorise:  
(c) The funding of any deficit from the schools budget under regulation 8(6) or (10)'

[http://www.legislation.gov.uk/ukxi/2017/44/pdfs/ukxi\\_20170044\\_en.pdf](http://www.legislation.gov.uk/ukxi/2017/44/pdfs/ukxi_20170044_en.pdf)

4.2 Schools Forum agreed that the overspend in 2016/17 would be charged to schools during 2017/18 based on the same formula as that used to previously to allocate the

DSG reserve to schools (i.e. pro rata to the total funding received via the funding formula).

- 4.3 As Rutland no longer has any DSG reserve and the switching of funds between blocks has not occurred for 2017/18 (and could be restricted from 2018/19 onwards if the proposed national funding formula is implemented), the Council, in agreement with the Schools Forum, needs a method for dealing with any overspends in the future.

## **5. Actions Planned/Underway**

### **5.1 Work being undertaken by the Council**

- 5.1.1 In order to address the demands and growing expenditure and to enhance the Council's and the Partnership's response to children with additional needs, a series of transformational activities have been taking place. The SEND and Inclusion service have been integrated with the Early Intervention services in February 2017 and since then a great deal of activity is underway both within the service and with health commissioners, education providers and families, to review the provision for children with SEN and disabilities, (SEND). This includes a rewrite and an energetic engagement exercise on the Council's Draft SEND Inclusion strategy, which sets out its vision for children with SEND and which is currently with stakeholders to review and contribute to. The service is changing its operational practice to be more customer focused and outcomes driven and is undertaking an audit and quality assurance exercise of the Local Authority's commissioned provision, such as its 52 week residential and 38 week education placements for children with SEND and additional needs.
- 5.1.2 The local Authority has a statutory duty to seek advice from an Educational Psychologist, (EP) as part of an Education, Health and Care (EHC) assessment. There are specific timeframes required by law to undertake the Education Health and Care assessment and Plan (EHCP) – within the first 6 weeks for a decision to go to an assessment and within 16 weeks for a decision on issuing an EHC Plan.
- 5.1.3 Where assessments are not required as part of the above statutory process, schools are free to commission educational psychology services from any independent provider at any time for a child they believe may have a need for an assessment. At this moment in time Rutland County Council offer EP traded services for non-statutory assessments through our current provider Partners in Psychology (PiP) however, due to the volume of statutory work in the system which is mainly due to the transfer of children from previous statements of special education needs to EHCPs, which is a specific timeline set by Government, there is a delay in accessing additional EP services. Schools are charged for non-statutory work by the Local Authority and whilst these are undertaken as quickly as possible, our statutory cases are given priority. Schools remain free to seek EP services from any provider.
- 5.1.4 There are currently 194 EHCPs open within Rutland. There are 14 statutory assessments awaiting an EP assessment (7 transfers and 7 new EHC assessment requests) which will be cleared within 14 weeks, subject to no further statutory requests coming in to the system during this period. There are a further 56 non-statutory EP requests outstanding, the length of time to clear this back log depends on the level of EP assessment required which can vary from 1 to 3 days and therefore the length of time to clear this work is dependent on what level of assessments school require. Based on 2 days per assessment this equates to 16

weeks' worth of additional EP provision, this will not be available until September 2017 and as such these can be anticipated to be cleared by December 2017, subject to demand for statutory services during this period.

- 5.1.5 Our current provider, Partners in Psychology, (PiP) have access to four EPs who provide the 3 day cover for EP services in Rutland. Our intention is to increase EP provision in the new academic year to help clear the current backlog of non – statutory EP assessment requests; this will be funded, as agreed by Cabinet in April 2017, from SEND reform monies in reserve. Moving forward this will enable us to provide a more timely response to all aspects of EP services and will give a greater understanding of our needs – currently we are transferring over 170 children from previous education statements to EHCPs which has put additional demands on the EP service. Once this is complete demand is anticipated to be more consistent and we will be better able to manage the workflow. A paper is due at Cabinet on the 20th June 2017 to seek agreement to create a contract with the current EP Provider until April 2018, whilst the Council undertake a review and options appraisal of the EP provision to ensure it is fit for purpose in the future.
- 5.1.6 'Learning and Skills' services and charging was reviewed in spring 2017 at a Head Teachers Partnership Briefing. It was agreed that Learning and Skills would no longer trade school improvement officer services that had historically been offered to schools. The existing charging arrangements for other services such as inclusion support, BESD support and non-statutory Education Psychology input is under review with revised charging arrangements scheduled for autumn 2017.
- 5.1.7 The SEND and Inclusion service is also preparing for a Peer Review (July 2017) and an Ofsted and CQC area inspection of SEND services.
- 5.1.8 Key within the success of the Fair Access Protocol, (out for consultation from June 2017) and the SEND Inclusion Strategy, (currently out for consultation) will be securing the required range of specialist places within Rutland itself, or through utilising close geographical locations where specific provision is required, so that more children are educated closer to home and at lower cost, in addition to a greater focus on school autonomy and sector-driven improvement.
- 5.1.9 Work is underway with our schools and providers to support them in building their own capacity for the local leadership of SEND that should serve their schools well as the system matures. The programme of work with schools will ensure school staff have skills, confidence and resilience to meet a greater range of pupil needs, particularly behavioural, social and emotional need, so that those children are retained within the sector and achieve well from their starting points. A roundtable event on the 11th May 2017 with key school's representatives and regional SEND advisors and a further Head Teacher Partnership event on the 19th June 2017 have set in train actions to achieve the above.
- 5.1.10 In addition to this, an engagement event took place with 90 parents and carers and with SENCOs on the 23rd May 2017, to provide them with an update on the developments within the service and the Local Offer, as well as the opportunity to meet the team.
- 5.1.11 The information from all the events mentioned above has been fed into the service Self Evaluation Form (SEF) and the SEND Action Plan that will deliver against the outcomes in the SEND Inclusion Strategy. Head teachers, health representatives and parents have expressed a commitment to forming a SEND Strategic Group to progress the wider transformation of SEND provision in Rutland and to securing the

right set of skills and the appropriate provision so that more children are educated and enjoy a family life, closer to home and at lower cost.

- 5.1.12 There has also been an increase in the number of children and young people refused assessments as Local Authorities develop their Local Offer and children can be offered the additional support they require through targeted services. (Source: DfE May 2017) As the service develops its local offer for children with special education needs and disabilities it is reviewing its use of the High Needs Funding Panel and the system for responding to requests for statutory assessments, so that earlier targeted services can be offered and a secure pathway for support agreed without the need for a full assessment. It is intended that Panel progress this process from September 2017 onwards.

## **5.2 Capital Funding to Support SEND**

- 5.2.1 Capital funding is being made available to Local Authorities by the Department for Education (DfE) from 2017/18 for the next 3 years and will be used by Rutland to support the transformation set out above. In March 2017, the Minister for Vulnerable Children and Families, Edward Timpson announced a £215m capital fund over three years for Local Authorities. Every local authority will be allocated at least £500,000 over the three year period from the fund, with more than half receiving at least £1 million. Councils will be free to invest the funding as they see fit to help children and young people with education, health and care plans to get a high quality education. It can be used in mainstream schools, including academies, free schools and grammar schools, special units, special schools, early years settings, further education colleges or other provision for children and young people aged from 0-25. It could be used for example to build new specialised classrooms for children with emotional, social and mental health difficulties, expand existing classrooms to increase their size to improve access or to purchase mobility equipment.
- 5.2.2 Rutland County Council's allocation is £500,000 over 3 years and the Council will be expected to consult with local parents, carers, schools, and others on how their funding allocations should be used. The Council will have to publish a short plan showing how they will spend the funding and show how this fits in the wider context of strategic planning for SEND.
- 5.2.3 Currently the £500k funding for SEND is not ring fenced and would need Council approval. The service will seek approval to create a Project Brief and Project Group to progress the capital project as part of the SEND Transformation Plan and to consider if the proposed SEND Strategic Group described in para 6.1.11 could comprise a Project Group, together with personnel from both Resources and Places Directorates in Rutland County Council, within agreed governance arrangements.
- 5.2.4 In addition to the above fund a report to Cabinet in December 2016 (Report 219/2016) identified £200k capital as a contingency to support a proposal for increased SEN provision if a viable business case comes forward.

## **5.3 Proposed changes to Forecasting of Spend**

- 5.3.1 The Table in para 4.2 illustrates the demand for and spend against the High Needs Fund for the last 3 years. Measures are in place to ensure (where possible given this is a demand led service), that there will be greater accuracy with high needs budget predicted and actual spend. However, as can be seen from this table and

the national picture, demand is increasing whilst at the same time funds available are remaining fairly static.

- 5.3.2 It is proposed that in future the forecast will be split between what is definitely known spend (ie the spend on the pupils already attracting high needs funding) and the forecast of spend which is a potential cost (ie pupils who have had an initial assessment of need but whose costs are not yet known as placement has not been finalised). At the same time, a more robust assessment of when the placement is likely to commence will ensure that costs are not included too soon in the process. This will allow schools forum more transparency on the likely costs for high needs going forward.

#### **5.4 Proposal for dealing with future overspends**

- 5.4.1 As discussed in section 4, there are very few options available to Rutland for dealing with any overspends on the High Needs block going forward. Whilst the Council and the Schools Forum are committed to ensuring that spend does not exceed the budget, there is no guarantee that this will be achievable given the nature of the service being provided and the demands being placed on the service at a time when funding is being restricted. Therefore a methodology needs to be agreed so that if overspends occur, the impact on schools and the Council is known and can be addressed.
- 5.4.2 It is proposed that a small working group is set up to review all options available, including the possibility of seeking support from the Council by way of a contribution from the General Fund. Any options proposed that included a contribution from the General Fund would require Member approval. The working group would be producing a plan for dealing with any future overspends on the High Needs block which would then be presented to Schools Forum for comment and to Cabinet for approval if support from the General Fund is proposed.