

SCHOOLS' FUNDING FORUM

SUBJECT:	High Needs Pupils – Key Pressures and Savings
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SUMMARY OF REPORT:

This report provides the SFF with an overview of High Need SEN budget pressures and savings for the period 2013-14 to 2017-18. The SFF is asked to give its view in respect of the proposed course of action.

FOR:	Information
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1. Background

- 1.1 The Local Authority (LA) has found itself in a position where local provision for High Needs pupils has not kept pace with the increase in the High Needs population. This has resulted in a number of high needs pupils being educated in independent instead of LA provision. The increase in numbers is a pressure on the High Needs budget no matter where the education is provided, however this has been exasperated due to pupils being placed in more expensive independent provision.
- 1.2 Although assessments and Statements have been stable over the past 4 years, the proportion in Kent special schools exceeds the national level and whilst this reflects parental preference and high quality local schools, at least 10% would be in mainstream in other authorities. Analysis by need type shows 39.3% in Kent special schools have ASD against a national average of 21.5%. 36% of appeals to Tribunals from Kent parents relate to the school placement for ASD or speech and language needs. Kent's 24 special schools have reached the limit of their physical capacity. Where Kent pupils are attending out county schools it is symptomatic of the physical pressure for places and a lack of parental confidence in mainstream. There is some evidence of non-inclusive mainstream schools advising parents to consider out of county schools against advice that mainstream is appropriate.
- 1.3 The number placed in independent and non-maintained settings in the summer term of 2012 was 364. The number now placed as at October 2013 is 485 (excluding post 16 of 87 which we took responsibility for on 1 August 2013) which represents an increase of 121 pupils (33%) on a like for like basis. Within this increase, ASD pupils over the same period went from 126 to 187 and BESD pupils from 114 to 171 an increase of 61 (48%) and 59 (52%) respectively.
- 1.4 A report on increasing the capacity by creating more in-house SEN provision went to the Education Cabinet Committee on 4 December 2013. A copy of that report is attached at Appendix 1 for your information. It is worth highlighting that the table in this report uses mean average per place cost to compare Kent provision with out of county/ independent school provision and illustrate the favourable cost of maintained

provision. Further analysis has enabled more detailed cost modelling within this report.

- 1.5 Overall the SEN review has identified the need for additional LA provision for ASD and BESD pupils and is increasing Special School places by 209 and Resource Provision places by a net 130. The SEN review has proposed the creation of 228 ASD places and 121 BESD places. These numbers exceed the overall increase in places and this has been facilitated by the reduction of empty places in some other need types.
- 1.6 As part of the School funding reforms for 2013-14 the DfE have broadened the LAs responsibility for High Needs pupils to all HNPs aged between 0 to 25. The LA now has the additional responsibility for HNPs in Further Education (FE) Colleges and Post 16 Independent Provision. The transfer of the funding from the Education Funding Agency (EFA) to meet these new liabilities has been less than transparent and a net pressure appears to be present in the current and future year's budget projections.
- 1.7 The LA is currently in the process of completing a High Needs places return to the DfE for the 23 December. This return will form the basis of our High Needs funding for 2014/15, which we will be notified of at the end of March 2014. The initial message from the DfE is that High Needs funding will be cost neutral and LAs will need to manage their own pressures. More detail on the March calculation process will be issued in December and as yet we have a number of unanswered questions which is causing a great deal of concern. We find ourselves in the difficult position of having to set school budgets by the 22 January without knowing what our final DSG settlement will be until the end of March, a totally unsatisfactory situation.

2. How much will the growth in Special School and Resource Provision places cost and how are we going to fund it?

- 2.1 Appendix 2 is a summary document showing the pressures (and savings) on the High Needs SEN budget over the period 2012-13 to 2017-18. Line 10 Special Schools and Line 13 Resource Provision (RP) shows the incremental increase in cost from the planned expansion in provision (paragraph 1.5). The total cost of this expansion over the medium term period is nearly £7.9m. Lines 9 to 12 show the pressure points of the expansion and it is important to note that forecast calculation is based on the assumption that all new places will be filled with new pupils.
- 2.2 It is proposed that the pressure from the growth in special school and resource provision places is funded from a reduction in the number of pupils placed in independent non maintained special schools. In order to achieve this the LA has estimated that it would need to reduce the number of places by approximately 200 (which equates to 41% of the current number of placements) over the medium term.
- 2.3 The Head of SEN has been tasked with reviewing existing independent placements to see whether children can be moved to one of our special schools or resource provision, however this will be challenging. It is therefore anticipated that the majority of savings will be made when the pupil leaves independent provision at the end of the phase of education. Line 15 estimates a total saving of £7.7m on the basis that there is a reduction of independent placements as shown in table 1 over the page.

Table 2 – Independent Non-Maintained Special School Budget Projection

	2013/14 FY	2014/15 FY	2015/16 FY	2016/17 FY	2017/18 FY	TOTAL
Pupil Numbers at the start of the FY (Pre and Post 16)	572	572	560	495	372	
Assumed reductions from September	0	-12	-65	-123	0	-200
Pupil Numbers at the end of the FY	572	560	495	372	372	
Cost at the start of FY	£18.5m	£18.5m	£18.2m	£16.5m	£12.7m	
Annual Saving	£0.0m	-£0.3m	-£1.7m	-£3.8m	-£1.9m	-£7.7m
Cost at the end of FY	£18.5m	£18.2m	£16.5m	£12.7m	£10.8m	

3. FE College – High Needs Funding update

- 3.1 To date funding has been agreed for 435 High Needs Students (HNS) in FE Colleges at a cost for the period September 2013 to March 2014 of £3,653k. In addition to this there are 90 applications that are awaiting a decision to see if they meet the LA funding criteria with an estimated additional cost of £544k if they are all agreed. The overall estimated cost for the period if all applications are agreed is £4,198k.
- 3.2 The LA inherited the responsibility from the EFA for funding FE College HNSs from August 2013, however transition has been problematic primarily due to the lack of transparency around the funding transfer from the EFA to meet the liability. The LA has earmarked a budget of £3,541k which means that if all outstanding applications are agreed we will have an overspend on this budget of £657k.
- 3.3 For the financial year 2014-15 the LA has undertaken some further calculations to estimate the potential FYE of the 2013-14 commitment. The LA is estimating its shortfall to be anywhere from £300k up to £2.1m. The reason why the range between these two figures is so large is that the LA is unable to get any assurances from the EFA about whether its 2013-14 business case funding will be built into its baseline for 2014-15. The £2.1m shortfall figure assumes that the business case funding will not continue.

4. Recommendations

4.1 Members of the Schools' Funding Forum are asked to

- a) Note the current years pressures on independent non maintained special schools (£3.5m) and FE colleges budgets (£0.6m)
- b) Note the planned increase in ASD and BESD need type places in Special School and Resource provision

- c) Note the planned reduction in independent non maintained special schools
- d) Note the range of pressures from the FYE on the FE college budget from the current years funded placements