

ALDCS / SLT
Children's Services Finance Survey
Initial Findings

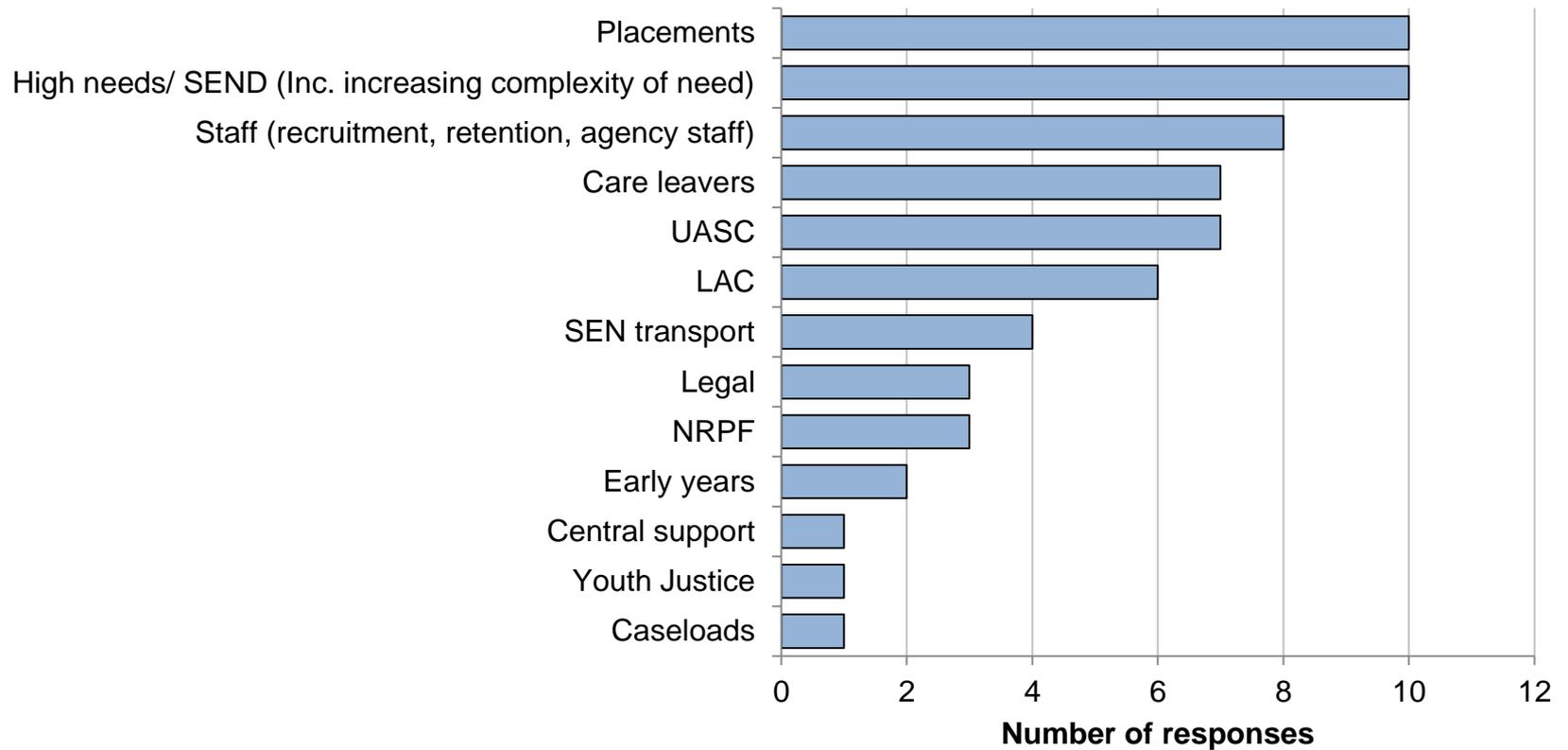
October 2018

Context

- A detailed survey on children's social care, High Needs and SEND was circulated to boroughs through ALDCS, SLT and children's finance leads networks in July/August – aiming to gather a stronger evidence base to show pan-London trends and variation between boroughs. This follows a similar survey last summer (2017).
- Responses have now been received from 30 boroughs. The survey is divided into three main sections:
 - Budget v outturn data for children's social care
 - Children's social care activity data
 - High needs

Funding pressures

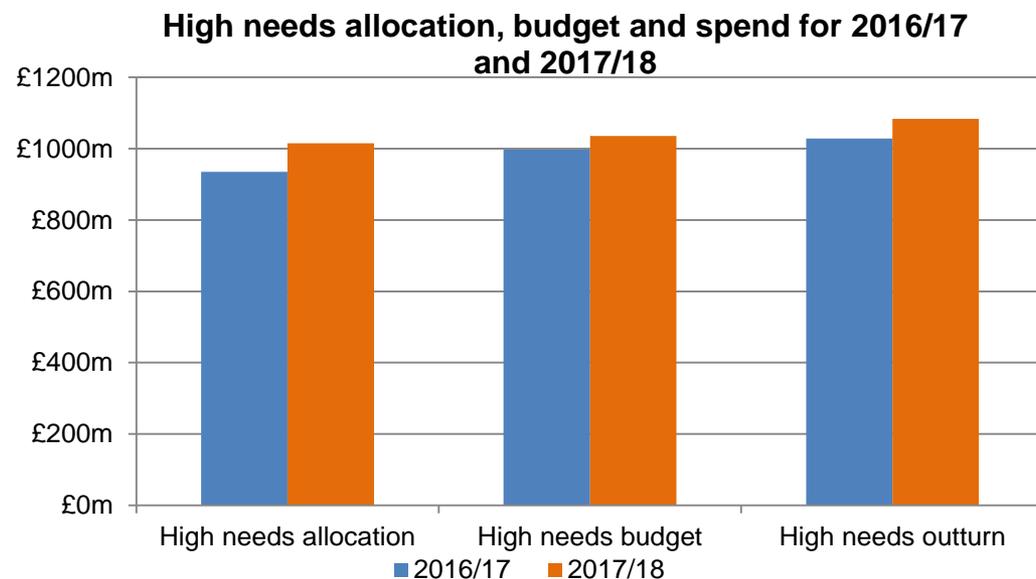
- Boroughs were asked to list their top three pressures on children’s services funding:



High needs block – 2017/18 shortfall

	Allocation shortfall	Budget overspend
Total shortfall/overspend (of boroughs overspending)	£68.8m	£50.2m
Overspend as a % of allocation/budget	7%	6%
Number of boroughs overspending	30	26

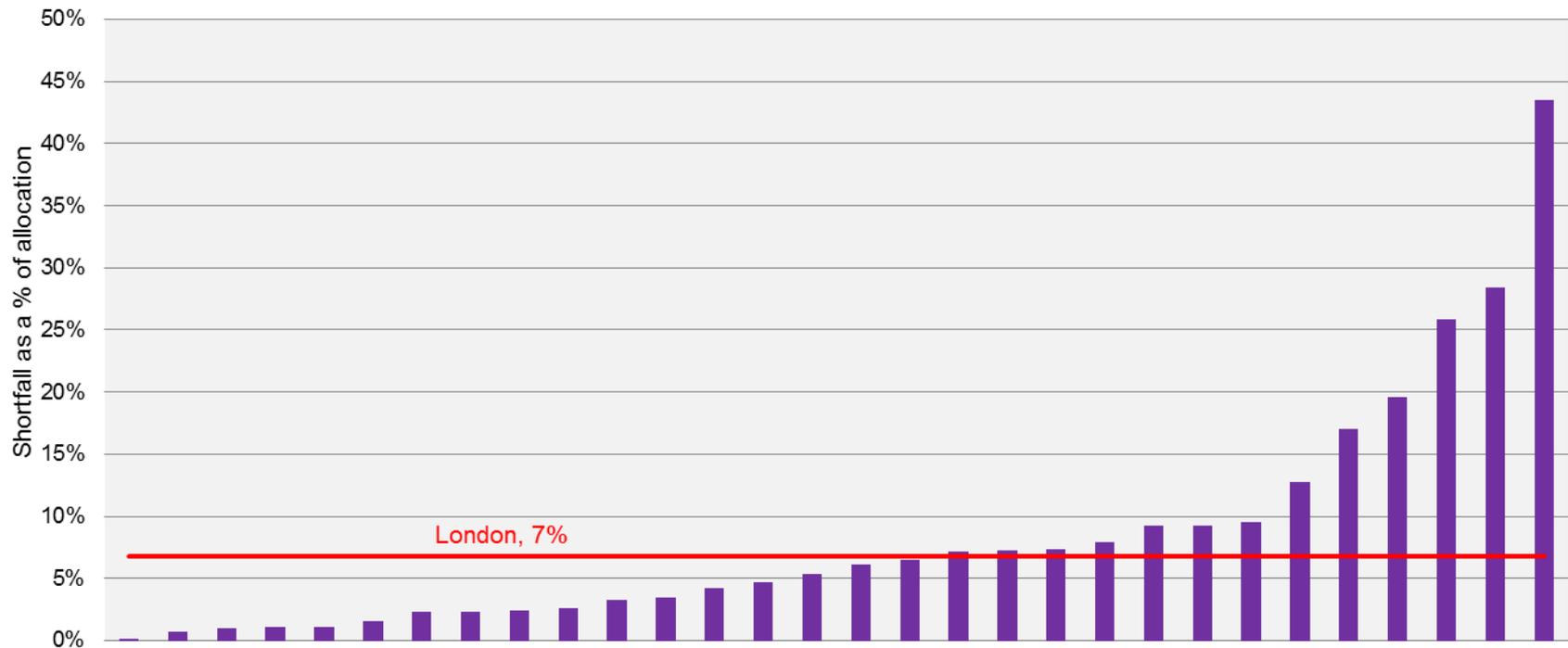
Sample: 30 boroughs



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- All LBs reported an overspend vs allocations in 2017/18 (an increase of five since 2016/17)
- The aggregate funding shortfall is **£68.8m** (down by 36% since 2016/17 across those 30 LBs)
- Allocations increased by 8.5% and outturn spend by 5.4% from 2016/17 to 2017/18
- This year (2018-19) allocations have only increased by 2.3%

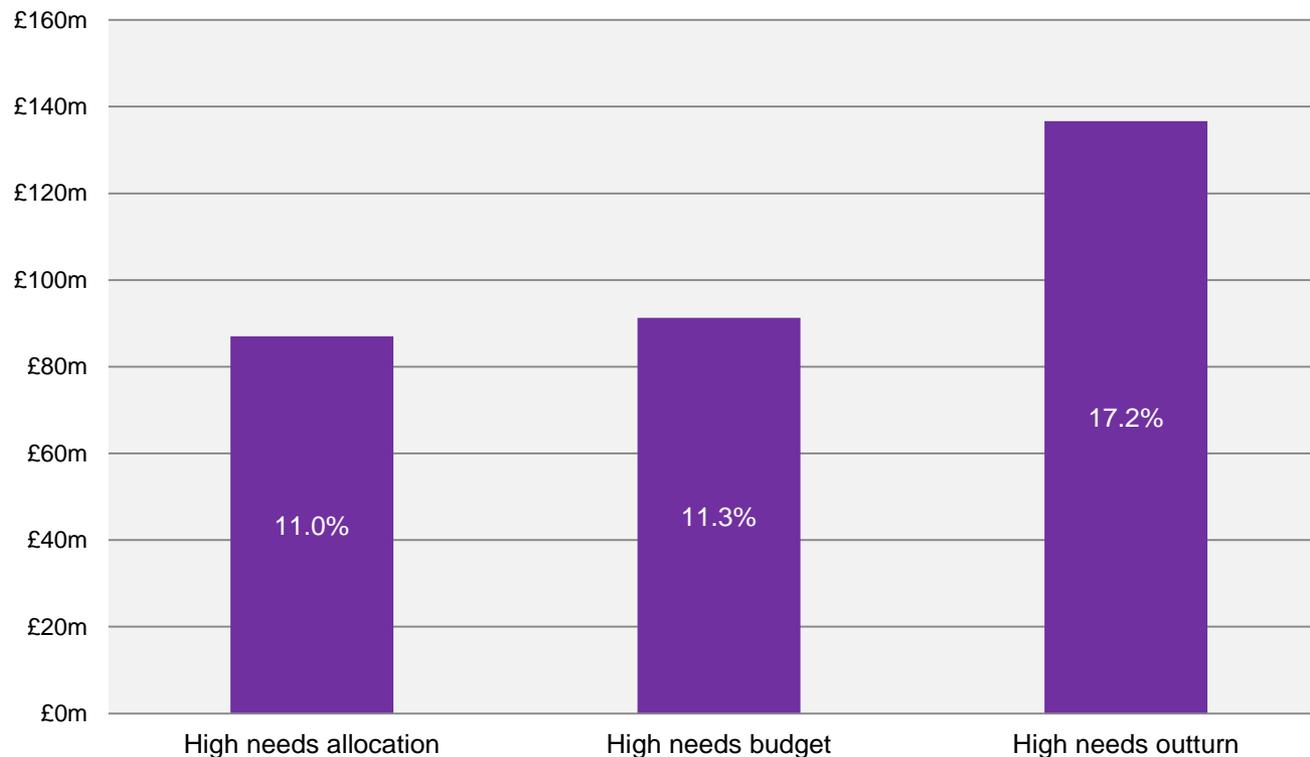
High needs block – 2017/18 outturn v allocation by borough



- Borough shortfalls ranged from 0.2% of allocation to 44% of allocation.
- Six boroughs have a shortfall of over 10%

High needs block – trend since 2013/14

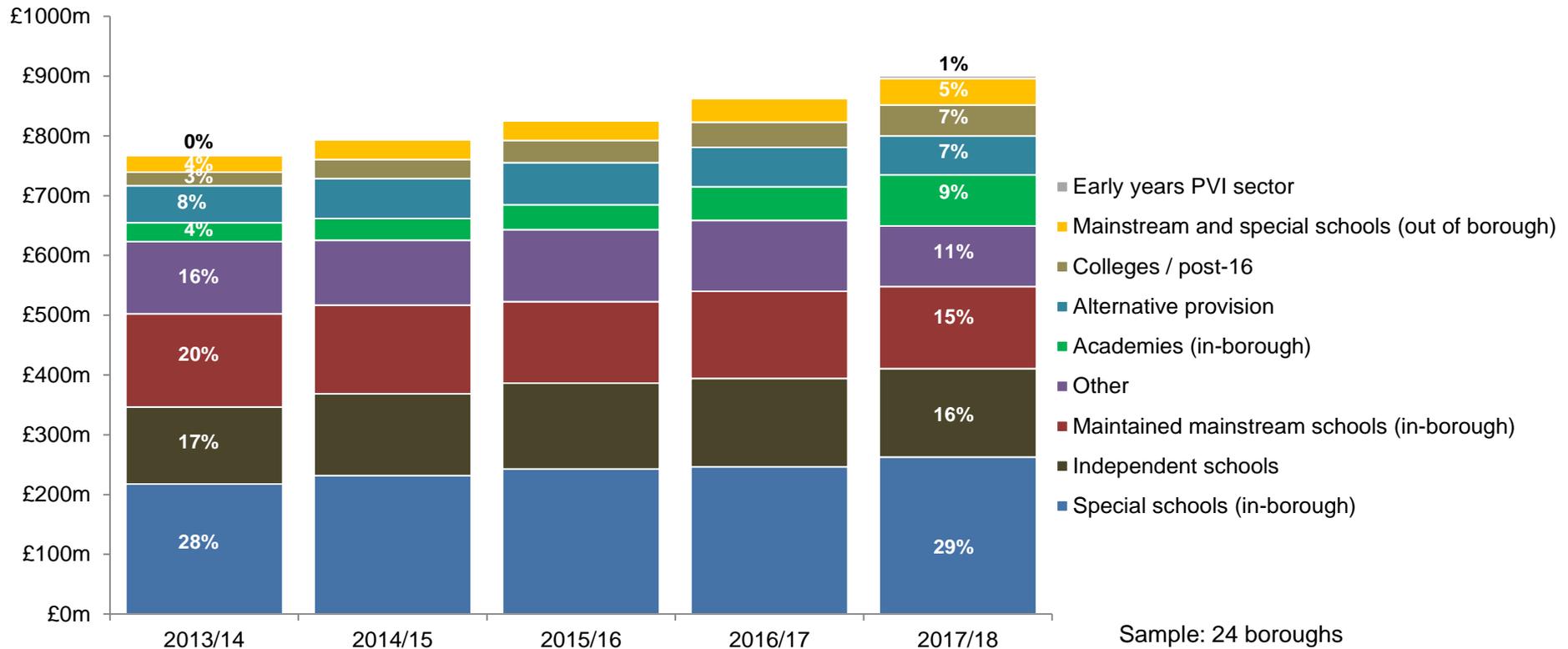
Change in high needs allocations, budget and spend - 2013/14 to 2017/18



Sample: 25 boroughs

- Across 25 boroughs providing high needs data for 2013/14 and 2017/18, high needs allocations have increased by £87.0m (11%), budgets by £91.2m (11%) and outturn by £136.6m (17%)

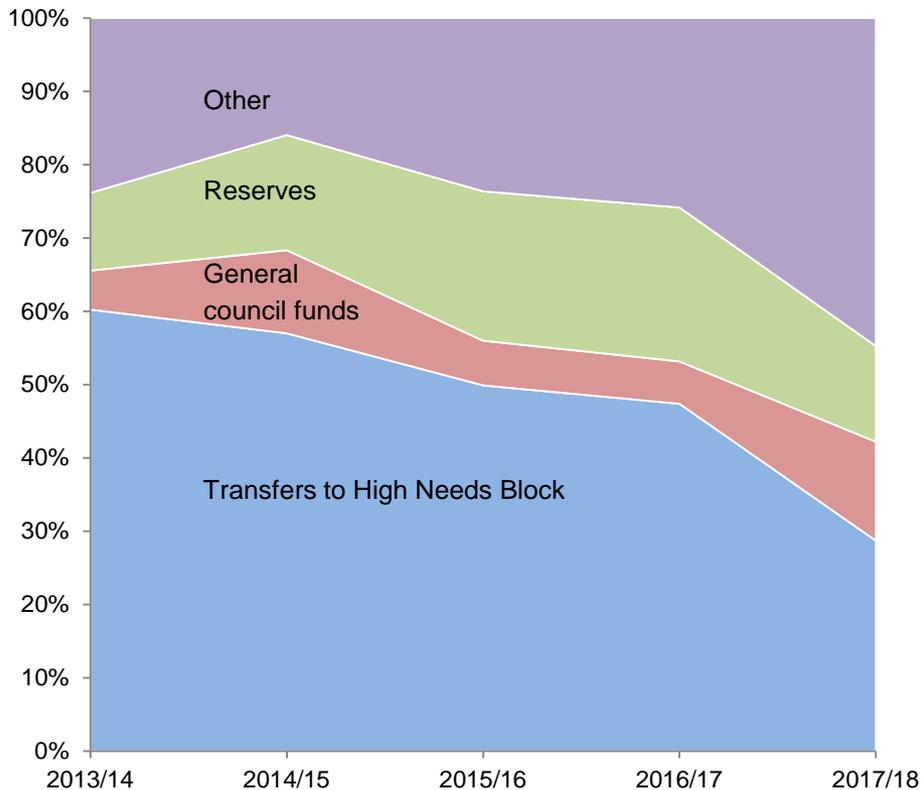
High needs outturn – breakdown of spend



- In-borough special schools (blue) consistently make up a third of high needs spend.
- **In-borough maintained mainstream schools** (purple) make up **6% less** of high needs spend in 2017/18 compared with 2013/14.
- **In-borough academies** (green) make up **5% more** of high needs spend in 2017/18 compared with 2013/14.
- All other categories of spend have remained constant.

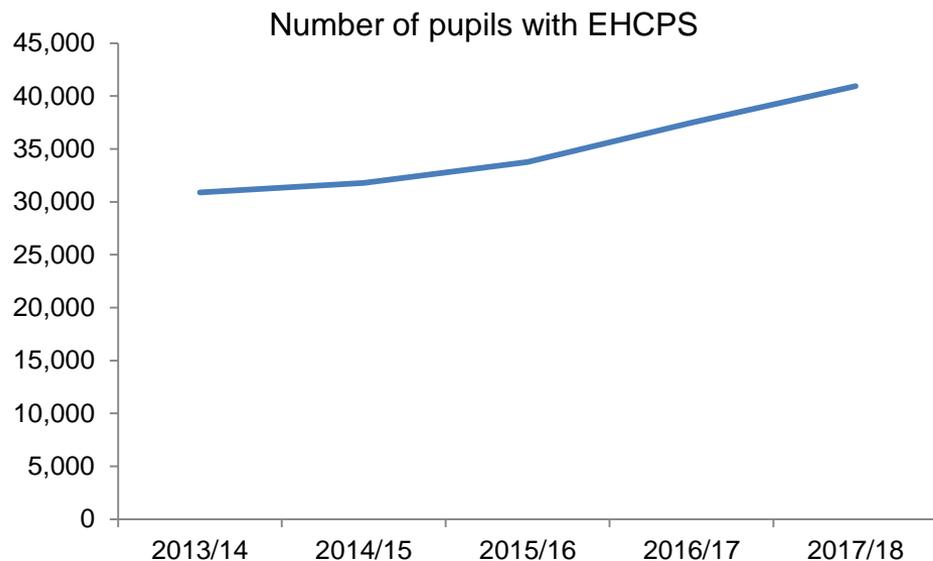
Meeting the high needs shortfall

	2013/14	2014/15	2015/16	2016/17	2017/18
Transfers to high needs block within DSG	£14.3m	£25.0m	£35.9m	£50.6m	£19.9m
General council funds	£1.3m	£5.0m	£4.4m	£6.2m	£9.4m
Use of reserves	£2.5m	£6.9m	£14.7m	£22.4m	£9.1m
Other	£5.7m	£7.0m	£17.0m	£27.6m	£31.1m
Sample	25	27	29	30	30



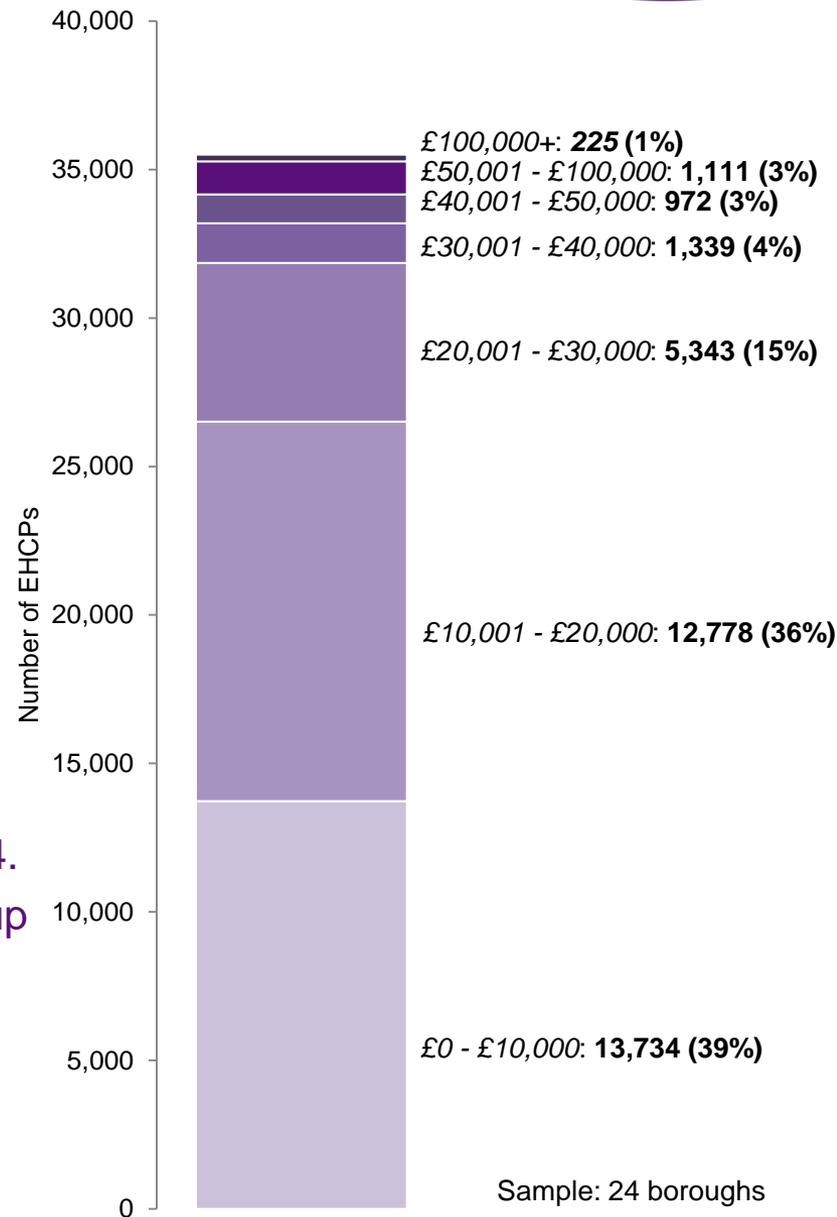
- Following the restriction on transfers to the high needs block, transfers within DSG have made up a decreasing proportion of the shortfall, from funding 60% of the shortfall in 2013/14, to 47% in 2016/17, to 29% in 2017/18.
- Boroughs have relied on other sources of funding.
- Reserves were used to meet 21% of the shortfall in 2016/17, but have decreased to funding 13% of the shortfall in 2017/18.
- Drawing on insight from boroughs, the “other” category is mainly DSG deficits carried forward and use of DSG reserves

High needs demand

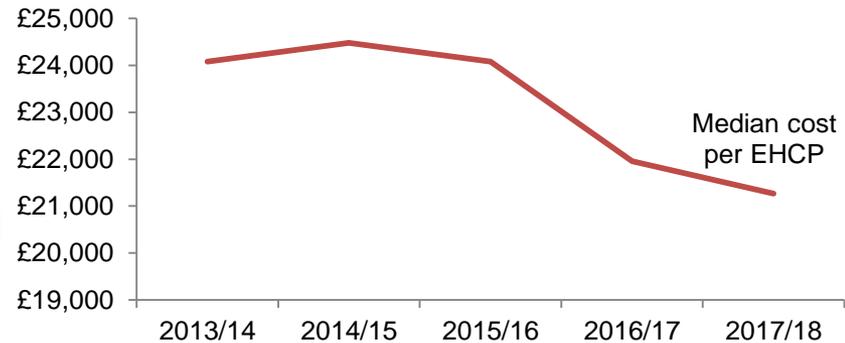
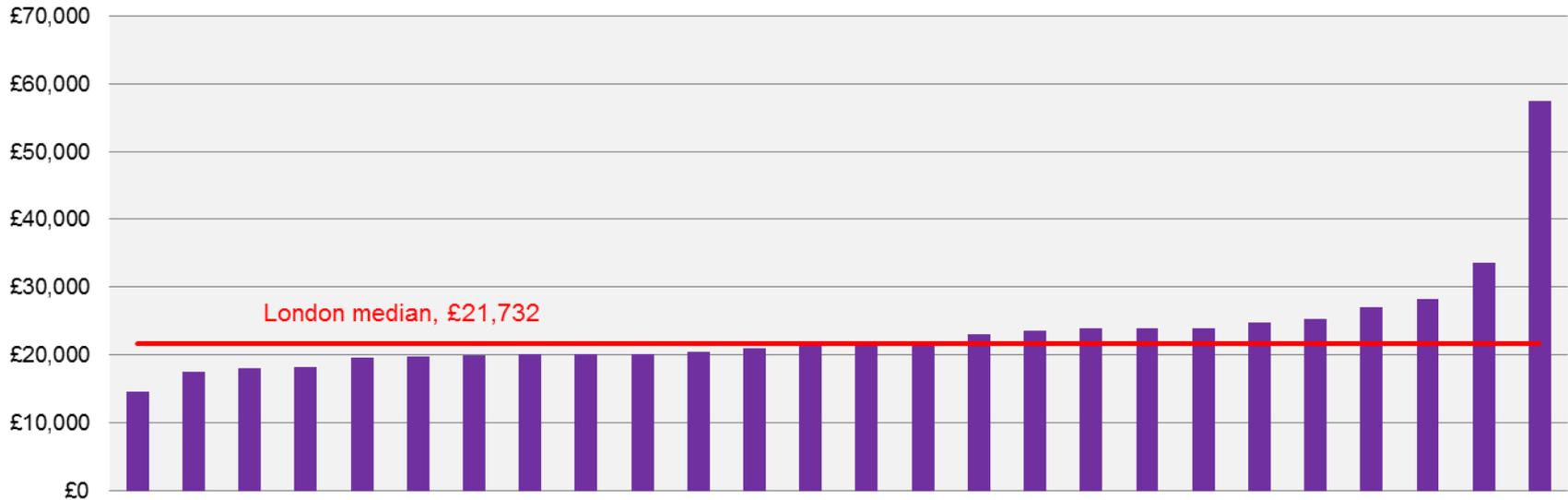


Sample: 23 boroughs

- Across 24 boroughs providing data for all years, pupils with EHCPs has risen by 33% since 2013/14.
- Pupils with an EHCP costing up to £20,000 make up three quarters of all EHCPs.
- 22 boroughs have a total of 225 pupils with an EHCP costing over £100,000 in 2017/18



Average cost per EHCP per borough



	Maintained Special School	Academy Special School	Independent Special School
Average cost per type of school	£22,025	£22,484	£47,292

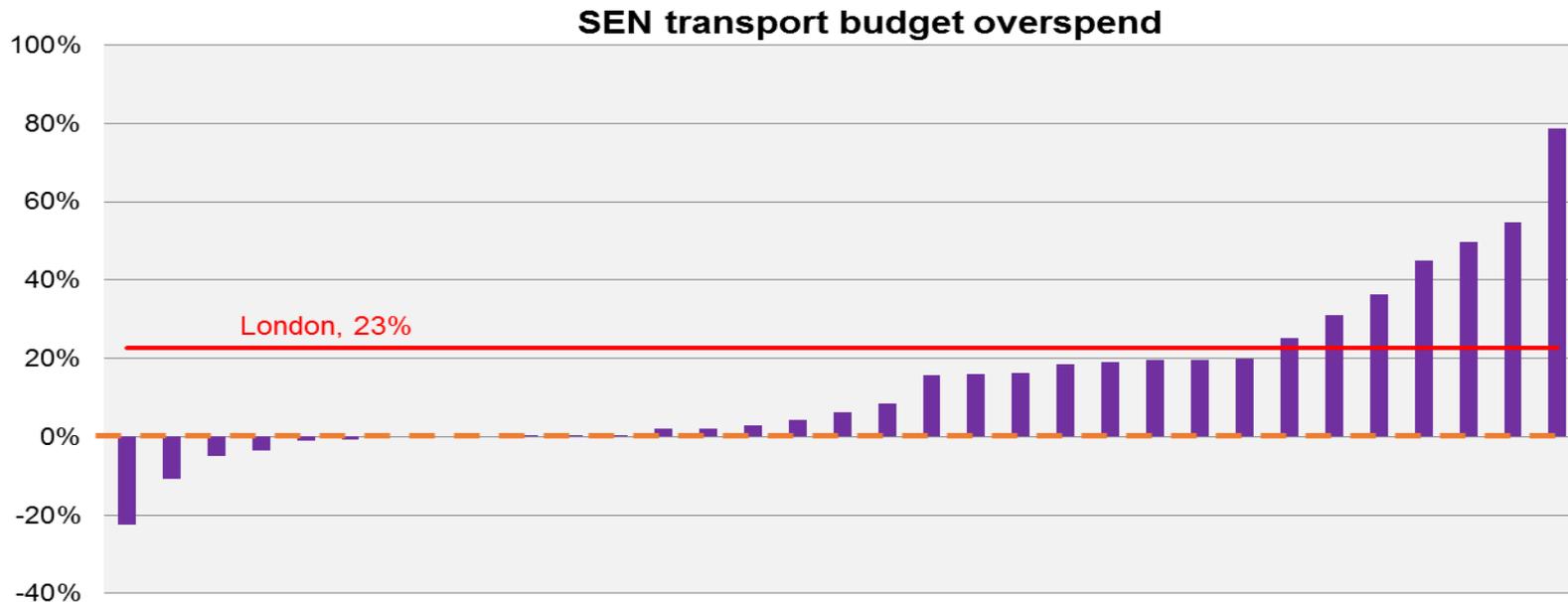
Sample: 21

- The median cost per EHCP across London is £21,732, with a range of £14,619 to £57,454.
- Across 25 boroughs providing data for 2013/14 and 2017/18, the average cost per EHCP decreased by 6% from 2013/14 to 2017/18
- The average cost per place in independent special schools is over double the average cost per place in maintained/academy special schools

SEND transport

	Budget	Outturn	Overspend		Number of boroughs overspending
			£	%	
SEN transport (of boroughs overspending)	£76.3m	£93.6m	£17.3m	23%	21

Sample: 28



- SEN transport overspend is £17.3m, or 23% of budget, with 21 out of 28 boroughs recording an overspend
- This is equivalent to £0.8 million per borough
- In 2017/18, borough spend on SEN transport ranged from a 22% budget underspend to a 79% budget overspend.
- Across 22 boroughs providing data in 2013/14 and 2017/18, overspends of those boroughs which are overspending have increased by 77% from £8.6 million in 2013/14 to £15.2 million in 2017/18.

High needs summary

- £68.8 million shortfall in high needs – every borough recording a shortfall
- £50.2 million budget overspend across 26 boroughs
- 6 boroughs have a shortfall of over 10% (including one with a 44% shortfall)
- Since 2013/14, spending has increased by 17%, allocations have increased by 11% (across 25 boroughs)
- Fewer resources transferred to the high needs block to fund the shortfall, other methods of making up the shortfall are used
- EHCPs rise by a third
- 75% of EHCPs cost up to £20,000, 25% cost over £20,000
- The average cost per EHCP in independent special schools is more than double the average cost in maintained/academy special schools
- Three quarters of boroughs are overspending in SEN transport averaging £0.8 million per borough