



**Schools Forum**  
26 February 2020

**Report from the Strategic Director  
of Children and Young People**

## High Needs Block 2020/21

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	N/A
<b>No. of Appendices:</b>	4
<b>Background Papers:</b>	Prior Financial reports to Schools Forum.
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Andrew Ward, Head of Finance – CYP 0208 937 6462 Dena Aly, Senior Finance Analyst – CYP 0208 937 2179

### 1. Purpose of the Report

1.1. This report informs Schools Forum of the detailed High Needs Block budget for adoption in 2020/21.

### 2. Recommendations

2.1. That Schools Forum notes the report.

### 3. Summary

3.1. The High Needs block budget for 2020/21 is set to balance to available resources including the £0.9m Schools Block transfer. The total budget is £62.2m.

### 4. High Needs Block funding

4.1. The High Needs block funding has been confirmed at £61.3m for 2020/21. This is £5m more than that received in 2019/20, but only represents a 9% increase compared to the national increase in High Needs funding of 11%.

4.2. In addition, the Schools Forum has approved a Schools block transfer of 0.4% totalling £0.9m. Total funding for the High Needs block in 2020/21 is £62.2m.

### 5. Changes to the 2020/21 High Needs Block budget

5.1. The Schools Forum sub group for High Needs met on 12 February 2020 to discuss the High Needs block budget, and the final detailed budget is provided in appendix 1.

- 5.2. Where the number of places within special schools have increased, the place funding and top up funding budgets have been changed accordingly. This can be seen in appendix 1.
- 5.3. Special school top up funding rates have remained the same as 2019/20, consistent with the 0% special school minimum funding guarantee. The banded funding rates are provided in appendix 2.
- 5.4. However for 2020/21, two new budget lines aimed at providing additional support for individual equipment and other needs such as educational therapy have been added. Where required these budgets will be used to provide in-borough special schools with additional support for the most complex pupils. This is in response to an issue identified through the High Needs block sub group of the band 6 funding rate not proving adequate resources to meet the needs of some of the children placed in Brent special schools. The new budget lines total £250k, which is equivalent to 1.4% of the existing top up budgets for Special Provision.
- 5.5. These budget lines are only intended to be in place for 2020/21, as an interim measure until a banding review is completed. One of the aims of the review is to ensure the banding properly reflects and allocates funding in line with the needs of pupils, including those with the most complex needs. A revised banding system is planned to take effect from April 2021. £50k has been allocated in the High Needs block budget to fund this review.
- 5.6. The High Needs group have reviewed the Additionally Resourced Provision (ARP) bandings and considered re-weighting the non-staff elements used to calculate the top ups. As the impact of this was minor and not evenly spread it was decided to recommend a 1% uplift across the ARP bandings. The ARP top up rates are provided in appendix 3. The pupil referral unit bandings are given in appendix 4.
- 5.7. The budget for top ups paid for pupils placed in mainstream schools has been reduced in line with the latest forecast to £8m. Benchmarking of top ups paid across London shows that Brent funds more hours of support in mainstream schools than statistical neighbours. The budget reduction also reflects the intention to review the hours of support funded.
- 5.8. The recoupment budget has been increased by £0.8m to total £1.2m. This is an income budget which offsets expenditure on pupils from other boroughs. This change to the budget brings it into line with the actual amounts recovered in 19/20. Work is underway to ensure that the costs recouped reflect the actual costs of funding and administration.
- 5.9. There are increases to the budgets for special schools both in and out of the borough, and for mainstream pupils in out of borough settings. These budget increases reflect the rise in demand and the spending patterns of previous years. In total £2.2m of the increased High Needs block has been allocated in response to the demand on these lines.
- 5.10. There are only minor uplifts to the budgets for funding independent schools and residential settings. The expenditure in this area should be limited by the impact of the West London Alliance (WLA) commissioning arrangements. It is expected that the WLA will have a greater impact as more London boroughs join the scheme.
- 5.11. The budget for post 16 provision has increased by £1.1m to a total of £3.2m. The forecast expenditure in 19/20 as shown in appendix 1 is higher than this, however the council will robustly challenge the 'element 2' charges of £6k each, from further education providers following ESFA clarification that these costs should not be passed onto the student's home local authority. This should result in a lower average cost for post-16 provision.

## **6. Risks and Challenges**

- 6.1. This budget allocates the available resources within the constraints of the funding that is available for the provision of SEND. The budget aims to achieve an in-year balance between expenditure and income, and does not reduce the forecast deficit that will be brought forward from 2019/20.
- 6.2. Given the increased demand for SEND provision, there are some clear risks and challenges to the aim of achieving a balanced outturn in 2020/21. These are acknowledged as below.
- 6.3. The main risk is that the number of children and young people with EHCPs continues to grow at the same rate as in recent years, rather than the growth levelling off. With in-borough special provision becoming full, greater use will have to be made of out of borough and independent settings.
- 6.4. There is also the risk of price inflation for SEND provision in Out of Borough and independent settings. This can be partly mitigated by effective commissioning arrangements, such as using the WLA.

## **7. Financial Implications**

- 7.1. The financial implications have been detailed in the body of this paper.

## **8. Legal Implications**

- 8.1. There are no legal implications for this report.

## **9. Equality Implications**

- 9.1. Not applicable.

## **10. Consultation with Ward Members and Stakeholders**

- 10.1. Not applicable.

## **11. Human Resources/Property Implications (if appropriate)**

- 11.1. Not applicable.

**Report sign off:**

**Gail Tolley**

Strategic Director of Children and Young People