

Sefton Schools Forum Report

Date of Meeting:	24 th September 2018
Title of Report:	High Needs budget monitoring forecast as at July 2018
Presenting Officer:	Kevin McBlain / Mike McSorley
Reason for Submission to Forum:	(4) ITEM FOR INFORMATION
Executive Summary:	To discuss the current forecast overspending on High Needs and progress with the High Needs review.
Budget/Risk Implications:	High Needs overspending is now forecast to be £2.3m. This places any remaining DSG reserves in jeopardy, as first call on reserves is to offset any deficit.
Recommendations:	<ul style="list-style-type: none"> • Forum Members are asked to note the report and the forecast overspending position on High Needs of £2.3m this year. • Note the request of the Local Authority, in another report on this agenda, to seek Schools Forum agreement to continue the support of Schools Block and Early Years Block (£0.600m) towards High Needs budget pressures in 2019/20. • Note the position of DSG reserves for High Needs and Early Years as reported in Para 3.4 of the report. • Note the progress made in starting the High Needs Review
Appendices (to be attached)	High Needs Budget monitoring statement to July 2018
Background Papers (available on request)	None
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<p>SCHOOLS' FORUM POWERS & RESPONSIBILITIES</p> <p>1 ITEMS FOR APPROVAL (DfE can adjudicate where Forum does not agree LA proposal)</p> <p>2 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but LA decides)</p> <p>3 ITEMS FOR CONSULTATION (Forum provides a view on LA proposal but DfE decides)</p> <p>4 ITEMS FOR INFORMATION (No formal view of the Forum is sought)</p>	

1.0 Purpose of the report:

1.1 To apprise members of Schools Forum of the latest budgetary forecast for High Needs 2018/19,

2.0 Background :

2.1 Members of Forum will recall from the outturn budget position, reported in June 2018, that High Needs ended 2017/18 with an overspend of £1.8m. The position so far this year suggests an overspend of £2.3m and this is despite contributions of £0.450m from schools and £0.200m from Early Years blocks.

2.2 Appendix 1 attached, shows some detail of the forecast position.

2.3 Since the Summer term 2017, and based on new Academic year placements for 2018/19 and the decisions of the SEN panels to grant additional Top Up funding, the position of overspend has worsened. An extra 8 pupil class has been agreed to be set up from September at Crosby High School to avoid the expensive out of Borough Day placements, and most local Special school facilities are now full. Additional 9 pupils at Rowan High continue to be funded since 2017. Increasing demand continues to be an issue for Special and mainstream schools to contain high needs cost pressures.

2.4 The review of High Needs is now underway having appointed a specialist consultant to carry out this work.....

2.5 Since April a number of initiatives have been started to try to reduce costs but these are limited.....

3.0 Forecasts and Issues

3.1 The main variations of spending between April 2018 and July 2018 are provided below for information, and give an indication of where budget pressures lie.

<u>2018/19 High Needs Forecast Budget variations as at July 2018</u>	<u>£0.000m</u>
Day Placements (Increase of 10 since the last Academic Year)	0.778
Primary school & Resourced Unit Place costs	-0.054
Primary school & Resourced Unit top-ups – panel decisions	0.666
Secondary school & Resourced Unit Place costs	0.048
Secondary school & Resourced Unit top-ups – panel decisions	0.077
Maintained Special schools – Place costs	0.610
Maintained Special schools – Top-Up costs	0.068
Post 16 Top ups to Special schools (16-18 & 19-24 yo)	0.199

High Needs Support costs	-0.075
Other net reductions/savings	-0.024
Net variations in forecast spending as at July 2018	2.293

3.2 A large part of the budget overspending is due to increasing cost pressures across the Maintained Special Schools. This has largely arisen as a result of the Local Authority requiring additional places across Special provision, in particular at Merefield; Rowan High and Crosby High School, where the numbers of pupils have increased above their normal capacity and where additional place costs and top ups have been agreed due to the exceptional needs of some pupils (£0.678m). This strategy of increasing in-house capacity is generally more cost effective than placing children in expensive non-maintained external provision, often out of Borough.

3.3 There is also an increase in the level of top ups across the Primary and Secondary sector, where panel have considered requests for additional funding on a case by case basis (£0.666m); and additional cost of post 16 top ups (£0.199m) due to more pupils staying on to further education. This, coupled with an increase in the number of out of Borough placements (10 pupils since Sept 17) within Non-Maintained Special Day schools, has added a further (£0.778m) full year cost to the overspend since the September 2017.

3.3 In addition, Members will recall the decision to make a charge for Complimentary Education to help offset substantial additional costs being incurred by the service due to an increase in demand from schools through pupil referrals. This has been in place since April 2018, and there has been no discernible decrease in the level of demand for the service, which currently has 93 pupils (May 2018) referred, compared with 101 pupils (September 2017). A review of the new charges was agreed to be held within 6-9 months and will be reported back to next Forum. Currently this service is forecast to break-even in 2018/19 with the charges to schools assumed to remain in place.

3.4 Central DSG reserves reported to Schools Forum in June 2018 stand at £0.515m brought forward from 2017/18, split between schools £224m and Early Years £291m. The Schools central DSG reserve has a commitment of £0.110 m from TU Facility time unspent in 2017/18, and the Early Years central reserve has commitments of £0.207m. This would leave potentially £0.198m uncommitted. This would have to be used to offset the High Needs overspend.

4.0 Recommendations:

4.1 Forum Members are asked to note the report and the revised forecast overspending position on High Needs as at July 2018 of £2.3m this year.

4.2 Note the request of the Local Authority, in another report on this agenda, to seek Schools Forum agreement to continue the support of Schools Block and Early Years Block (£0.600m) towards High Needs budget pressures in 2019/20.

4.3 Note the position of DSG reserves for High Needs and Early Years as reported in Para 3.4 above.

4.4 Note the progress made towards the High Needs Review