

**Report to Hartlepool Schools' Forum 15 March 2016
From Mark Patton – Assistant Director Education**

Agenda Item – High Needs Block Pressures

1. Purpose of Report

1.1 The purposes of the report are to :-

- Update Schools Forum of the financial pressures facing the High Needs Block
- Provide options for addressing the pressures for 2016/17

2. Background

2.1 At the meeting of Schools Forum in September 2015 the details of the emerging pressures were considered.

2.2 The table below summarises the pressure on the High Needs Block in September 2015. The LA is looking at ways to manage this pressure and develop a funding strategy with the Schools Forum. The local authority have approached the EFA to request additional funding. The EFA have indicated that any changes in service provision are expected to be cost neutral.

Budget Heading	15/16 Projected overspend (£m)
Individual Pupil Support	0.150
Alternative Resourced Provision	0.100
Grand Total	0.250

The following sections provide details of the pressures on the current funding and what progress has been made in relation to the review.

3. Independent School Fees

3.1 Independent school placements are procured for pupils with a Statement of SEN or Education Health and Care Plan (EHCP) when needs of the individual cannot be met within Hartlepool schools and academies. Confirmation that need cannot be met within Hartlepool is evidenced following a formal written consultation period. Prior to commissioning a placement, agreement is sought through the multi-agency Commissioned Placement Panel. This Panel is accountable to the Director of Child and Adult Services. Appendix A details the Panel process.

3.2 The table overleaf summarises the projected cost of current placements for 2015/16 and 2016/17

Independent School Fees	2015/16		2016/17	
	No. Pupils	£m	No. Pupils	£m
Day	14	0.625	11	0.581
Residential	<5	0.120	<5	0.278
Total		0.745		0.859

- 3.3 The costs in 2015/16 are estimated to be £0.745m. This consists of 14 pre-16 placements and up to a total of 5 post-16 pupils. The 2016/17 estimate of £0.859m is for existing placements and is likely to be subject to inflationary increases relating to the implementation of the National Living Wage. Although it has not been confirmed it is also likely that a number of additional pupils will require placements in 2016/17. These are estimated to cost an additional £0.200m.
- 3.4 Current residential placements are in respect of looked after children where needs are so great that they cannot be met within existing provision in Hartlepool and they require specialist education and care provision. Some of the residential placements are funded in a three way package by education, health and children's social care. The remaining placements are split jointly with health and social care. It is expected that the number of residential placements will increase in 2016/17. This is owing to the number of individuals who have complex needs which cannot be met in Hartlepool.
- 3.5 In addition to the residential places there are 8 pre-16 and 1 post-16 young people who currently access day placements out of the authority. These placements provide specialist autistic spectrum disorder (ASD) and social, emotional and mental health (SEMH) provision. Placements have been commissioned out of area when needs cannot be met within Hartlepool schools and academies. Pre-16 Day placement numbers will increase from 9 to 10 in 2016/17 as there is 1 young person currently waiting for placement.
- 3.6 The NE12 collaborative commissioning framework went live on 1st February 2016. There are 12 providers who are on this framework in Phase 1 offering placements across 22 different settings. Potential savings in Phase 1 for Hartlepool are currently being calculated for the transition of young people on existing placements to new terms and conditions. This will be completed by April 2016. All educational placements for young people who require Independent Specialist Provision (ISP) must go through the NE12 framework in the first instance to try and secure a placement.
- 3.7 NE12 Phase 2 work will commence in May 2016 to work with those providers who did not come onto framework in Phase1. This will expand the market, review capped pricing model and all placements made on the new framework for quality and value for money.

4. Top up funding and Bandings

- 4.1 There are several elements within top up funding. The individual pupil support (IPS) including exceptional funding requests, out of authority top ups, Additionally Resourced Provisions (ARP), Special school top-ups.

IPS

- 4.2 As part of the review of IPS funding, four review panels were held; three were initially planned but owing to a number of schools failing to submit requested paperwork a fourth panel was scheduled hence delaying the process. This process was poorly supported by schools, with the LA relying heavily on the same key SENDCOs from across the town at each panel.
- 4.3 Funding for 130 pupils was reviewed. All pupils who receive IPS funding now have a review date. Some funding will continue short term due to the limited evidence made available by schools for consideration.
- 4.4 The reduction in the hourly rate from £9.90 to £9.00 and the outcome from the panel review has achieved savings of £0.156m in 2015/16 and estimated savings of £0.215m in 2016/17. The savings achieved are below the initial estimates of £0.170m and £0.250m respectively. The table below shows the split of savings.

Savings Achieved	2015/16 £m	2016/17 £m
Panel review – 24/130 pupils	0.021	0.061
Hourly rate change outcome	0.135	0.154
Total	0.156	0.215

- 4.5 Of the 130 pupils who did not have a review date 24 pupils were identified as having a reduction in need. Twelve pupils no longer required financial support (7 primary, 5 secondary pupils) saving £13k in 2015/16 and a further 12 pupils hours were reduced saving £8k (10 primary, 2 secondary). This review resulted in a total savings of £21k in 2015/16 and a full year effect of £61k is anticipated in 2016/17.
- 4.6 The table below summarises the latest agreed IPS funding by sector. Total support for schools is projected to be £1.124m for 392 pupils in 2015/16. This does not include the additional £0.550m which is transferred each year from the High Needs block to Schools block for the notional £6k.

Sector	EHC PLAN		Reviewed		Review date in place		Total	
	£m	No.	£m	No.	£m	No.	£m	No.
Nursery	-	-	-	-	0.008	6	0.008	6
Primary	0.21	49	0.265	99	0.408	145	0.883	293
Secondary	0.087	29	0.061	31	0.085	33	0.233	93
Grand Total	0.297	78	0.326	130	0.501	184	1.124	392

- 4.7 Pupils with a plan are automatically reviewed annually. 78 pupils currently have a plan at an estimated cost of £0.297m. All other pupils now have a review date and schools will be required to return to panel to re-apply for funding.
- 4.8 Banding Review
Owing to the increasing demands and historic inconsistencies of funding top ups between provisions, the local authority is to commence a review of the banding system. This will ensure the Authority has a consistent and robust process for banding pupils needs within the limited resources available.

- 4.9 The review will look at funding for ARPs and Special schools, with a view to including IPS. The local authority will have a proposal available for consultation in the Autumn term of 2016/17. This will ensure that any changes will be included with the draft formula in October 2016. During this period the local authority will work with neighbouring local authorities who are experiencing similar increases in demand and cost pressures. These authorities are also undertaking a similar review of SEN funding.
- 4.10 Top up funding is also paid to providers for pupils educated out of authority. This is either because the needs cannot be met within the town, such as hearing and visually impaired, or to support looked after children who are living outside of the authority. There is a regional agreement that the home authority pays the providers' top-up/banding rates. The table below details the estimated cost of these top-up payments.

Type of Placement	No.	2015/16 £m	2016/17 £m
Hearing/Visually impaired	9	0.089	0.094
Looked After Children	5	0.056	0.056
Other	6	0.071	0.071
Total	20	0.216	0.221

4.11 Exceptional Funding

Schools can make a case to the local authority for exceptional high needs funding. This may be because they do not have sufficient funds in the school's delegated SEN budget to meet the needs of all pupils, or have a particular type of need or provision requirement in school. The application for funding is contained in Appendix B. The table below details the applications for the past three years.

Year	No.	£m
2013/14	7	0.274
2014/15	2	0.062
2015/16	1	0.028
Total	10	0.364

- 4.12 The EFA have published other local authorities' methodologies for accessing exceptional funding. As part of the banding review these models will be considered to ensure our processes are in accordance with best practise with other local authorities.

4.13 Equipment

Based on accepted practice in Hartlepool in relation to the purchase of equipment for young people, schools are expected to pay the first £100 for equipment purchases. Schools have not yet been recharged for 2015/16. This will result in a saving on the IPS budget circa £2k in 2015/16.

- 4.13 It is proposed that the contribution by the schools and PVLs is increased to £250 or 10% whichever is the greater. This is comparable with the high cost items being purchased. The table below shows that on average this policy could achieve savings in the region of £10k per annum.

Year	£250 or 10%
	£
14/15	9,012
15/16	11,179

5. Post- 16 & Post- 19

- 5.1 There are 95 16 -18 year olds accessing further education including Catcote Academy. A further 38 young people accessing 19-24 in further education provisions, including Catcote Futures.
- 5.2 During the 2015/16 academic year, 28 young people in 19+ provision have tailored and jointly funded packages of education and social care to meet their needs. One young person who was previously funded 100% by the High Needs Block is now 100% health funding as agreed by commissioning and the CCG. This saved £16,331 in the post-16 budget. This is the first year we have trialled this. The local authority is currently identifying other young people who may be eligible for this funding for the 2016/17 academic year, to contribute to the savings within the high needs block.
- 5.3 Post-16 funding rates agreed with neighbouring authorities across the Tees Valley will be reviewed for the 2016/17 academic year by the end of May 2016. A meeting of the Tees Valley Post-16 Group took place on 7th March 2016 to begin this process. However the full final costs for young people in the 2016/17 academic year will not be known until after the colleges have completed their enrolment for the new academic year 2016/17

6. Latest Forecast Outturn and 2016/17 Budget

- 6.1 The projected outturn has been updated to reflect the latest commitments and outcomes from the IPS panel review. The table below details the latest projection

High Needs Block 2015/16	Budget £m	Projected Outturn £m	Variance (under)/over £m
Academy place funding	1.871	1.871	0.000
LA place funding	1.561	1.561	0.000
Independent school fees	0.740	0.745	0.005
Top up funding & support	4.940	5.095	0.155
Post-16 top ups	0.730	0.750	0.020
Contribution to schools block	0.647	0.647	0.000
Total	10.489	10.669	0.180

- 6.2 The Forum report dated 8th September identified pressures of £0.350m relating to £0.100m for independent school fees and £0.250m relating to top-up finding. Funding was identified to support this £0.350m pressure using contributions from local authority reserves of £0.100m, £0.080m Early Years reserves and £0.170m from the IPS hourly rate and panel review. This is one- off funding and therefore a permanent funding strategy is required to manage the ongoing demand pressures.

- 6.3 The pressure in Independent school fees has not materialised owing to changes in pupil requirements and the timings of placements. The overspend is now forecast to be £5k.
- 6.4 The review panel and reduction in hourly rates resulted in a saving of £0.156m. However since then additional funding has been approved at the IPS panel and exceptional funding totalling £0.042m. The service level agreement for the Hearing and Visually impaired services has also increased in year resulting in an over spend of £0.017m. Post-16 topups are also forecast to overspend by £0.020m.
- 6.5 It is therefore recommended that the local authority reserve of £0.100m and the early years reserve of £0.080m is used to fund the forecast overspend.

6.6 2016/17 Budget

2016/17 funding has been confirmed at £10.622m. There have been no changes in place funding but additional top up funding of £0.133m has been allocated to the authority. The table below shows the summary of funding

High Needs Block 2016/17	£m
Academy place funding	1.866
LA place funding	1.560
Independent school fees	0.900
Top up funding & support	4.869
Post-16 top ups	0.780
Contribution to schools block	0.647
Total	10.622

- 6.7 Based upon the current level of demand, an overspend is projected of £0.060m in 2016/17. This estimate assumes the continuation of the £9.00per hour IPS funding and the increased contribution for equipment purchases. The estimate does not include any additional funding requests made at the IPS panel or exceptional funding. It is therefore necessary to review the banding system as noted in paragraph 4.8.
- 6.8 The overspend of £0.060m does not include the anticipated increase in demand for independent school placements, which are estimated to cost an additional £0.200m.

7. Other issues

- 7.1 The consultation relating to the funding formula for 2017/18 began on Monday 7th March. Stage 1 of the consultation relating to agreement of the principles of the new formula closes on 17th April. Stage 2 of the process will be consulted on during the summer/autumn term.
- 7.2 The outcomes from this report and the impact of the spending review relating to the funding formula will be reported to the Children’s Services committee.

8. Recommendations

8.1 The Schools Forum agree to

- the continuation of the £9.00 per hour for IPS funding for 2016/17.
- increase the contribution to equipment purchased from £100 to £250 or 10% whichever is the greater.

8.2 The Schools Forum to note

- the banding system review will be completed by September 2016 for implementation in 2017/18
- the review of the post 16 funding rates by the of May 2016
- the funding strategy for the 2015/16 forecast overspend of £0.180m

Appendix A

Commissioned Placements Panel

Terms of Reference

1. What is a commissioned placement

A commissioned placement is a placement that is purchased from a provider independent of the local authority. This can include a voluntary independent organisation or private

company. This procedure applies to the purchase of a foster placement, a residential placement or any other service commissioned to support a child looked after.

2. Aim of the Panel

To manage the requests for external placements and support services by:

- Effective monitoring and scrutiny of external placements and support services to ensure wherever possible children are placed within the borough;
- Allocating resources to support the best possible outcomes for Children Looked After and care leavers, through a mixed economy of in house and independent provision based always on the needs of the child;
- Promoting placement stability by getting the right resources and accommodation in place straight away to meet every child's individual needs;
- Making best use of local resource to meet the placement accommodation and support needs of Children Looked After and care leavers in Hartlepool;
- Ensuring that all partner agencies provide the necessary resources to meet specialist, complex or additional needs.

3. Function

The Panel will, where appropriate:

- Decide on external placements referred by the Care Planning Panel;
- Ratify emergency external placements where decisions were made outside the Commissioned Placements Panel;
- Consider and agree, if appropriate, the extension of current external placements;
- Consider and agree, if appropriate, changes to external care placements, including moving from an internal to an external placement;
- Decide whether or not additional resources should be allocated to support a current placement or an internal placement which might attract health or education funding.
- Review all external placements and support packages over time;
- Review all Out of Area Placements and ensure children placed 'at a distance' continue to be supported to a high standard.

The key tasks of the Panel are as set out in the flowchart attached at Appendix 1.

Cases will be presented in line with the guidance issued to officers presenting cases, see Appendix 2.

4. Membership

The membership of the Panel will be as follows:

- Assistant Director – Children's Services (Chair);
- Head of Service – Children Looked After;
- Virtual School Headteacher;
- Family Placement Team Manager;
- Clinical Commissioning Group representative;
- Head of Service - SEN;
- Finance representative;

- Children's Commissioning Manager.

Children's Social Care Team Managers/social workers will attend to present cases coming forward to the Panel.

5. Accountability

The Panel is accountable to:

- Children Looked After and care leavers whose cases are considered by the Panel;
- Director of Child and Adult Services;
- Corporate Parenting Forum.

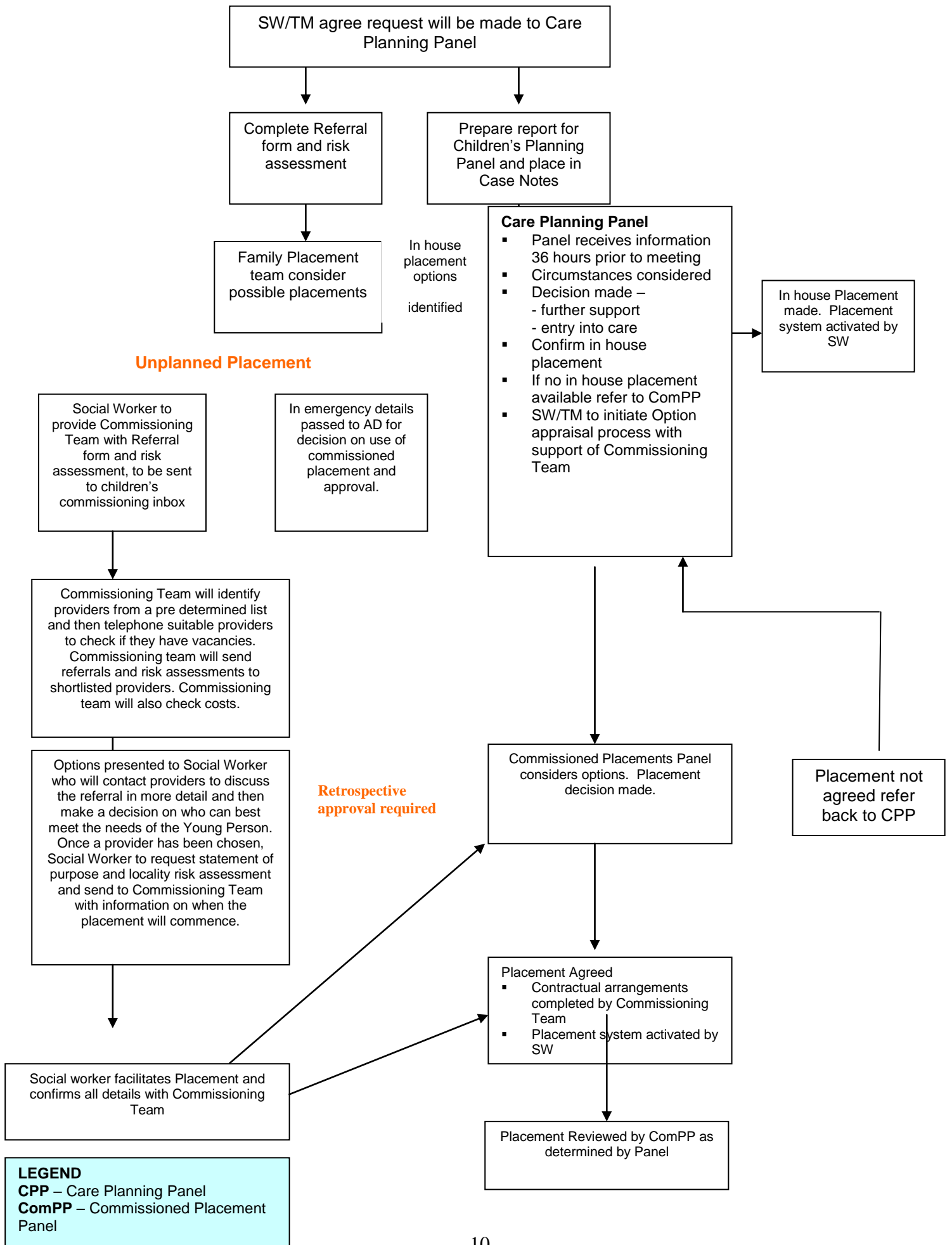
6. Frequency of Meetings

The Panel will meet monthly.

7. Review

These terms of reference were agreed at 9th October 2015 and will be reviewed after twelve months of operation.

Appendix 1: Process Flowchart



Appendix 2: Panel Process

- The agenda will be agreed with the Chair of the Panel 4 working days before the meeting, and timings for attendance will be emailed by the Directorate Support Team to Team Managers and social workers within 3 days of the meeting;
- Officers presenting cases to Commissioned Placements Panel must complete the placement request form and return it to the Directorate Support Team 3 working days before the scheduled Panel. If a completed request form is not received within the deadline the case request will be removed from the agenda unless agreed by the Assistant Director;
- There must be one placement request form per child, even for sibling groups being placed together. The forms can be linked together for consideration by the Panel so that a holistic decision is made;
- The purpose of the placement request form is to provide the Panel with enough information to make an informed decision and to document the reasons for that decision;
- Team managers will have quality assured the placement request form before it is presented to the Commissioned Placements Panel, making sure;
 - The form is fully completed;
 - The voice of the child is included;
 - Factors that should affect the Panel's decision are explained clearly and succinctly.
- Officers are encouraged to contact the Directorate Support Team as soon as possible to discuss any unavoidable clash with other commitments;
- The minutes of the Panel meeting will be signed by the Chair as the official record of the meeting within 5 working days of the meeting.

Appendix B

Application for exceptional funding

This pro forma should be completed by schools who wish to make a case to the Local Authority for exceptional high needs funding. This may be because you do not have sufficient funds in the school's delegated SEN budget to meet the needs of all pupils, or you have a particular type of need or provision requirement in school. Whilst considering your application for funding the LA may take into account cash reserves held centrally by the school, this information will be supplied by colleagues in the Schools Finance Team, Hartlepool Local Authority. Upon completion of your application form please return to Louise.Allen@hartlepool.gov.uk or return by post to, Louise Allen, Head of Service for Children (SEND), CETL, Brierton Lane, Hartlepool TS25 4BY, (01429) 523043.

All applications for funding will be considered by an internal panel made up of staff from within the SEN Team and Schools Finance Team. You will be notified in writing of the panel's decision within 14 days of receipt of the application.

School	
Completed By	

1. Information about the school

Context
<i>(Number of pupils on roll, particular challenges faced, number of classes/staff)</i>
SEN Information
<i>(Number of pupils in need of support, percentage of the cohort, number of pupils at different stages of the CoP)</i>

2. Delegated SEN funding

What is the school's delegated SEN budget for 15/16?	
How do you intend to allocate this?	
Description of provision	Cost
How many children currently receive individual pupil support funding and what is the total amount of funding provided by the LA?	

3. Exceptional funding

Why does the school require exceptional funding?

Amount of exceptional funding requested
How would this be deployed?

School Reserves – Please state your school balance and outline any plans for this funding or why this funding cannot be used wholly or in part to support the shortfall for students with SEN in your school

Hartlepool Borough Council – Equipment Policy

1. Introduction

Some children and young people require special educational provision because they have a disability which prevents or hinders them from making full use of the educational facilities generally provided, they therefore may need specialist equipment to access all the opportunities available to their peers.

Children and young people with a physical disability (PD) may require long term additional ongoing support, others needs may fluctuate over time and equipment may be required to support them.

Hartlepool Schools aim to minimise the effects of physical/medical needs or a visual or hearing loss through consideration of a range of evidence based and effective teaching approaches, appropriate equipment, strategies and interventions in order to support the child's progress.

2. Eligibility

All pupils should be a Hartlepool resident or attending a school within Hartlepool Local Authority. For young people who are looked after (LAC) and are placed in a Hartlepool School, the Local Authority to whom they belong will be responsible for any costs related to equipment. Hartlepool Local Authority will support schools in dealing with matters arising from this.

An application will not be accepted if:

- the child or young person is not resident in Hartlepool or a Hartlepool child who attend schools outside the authority;
- an item is required under a capital programme, i.e. the school is undertaking building works, e.g. for fixed equipment that requires substantial assembly work on site, including permanent plumbing, electrical and/or gas connections;
- the equipment needs to be permanently fixed in place when structural adaption' is taking place to the fabric of the school building e.g. stair lifts, grab rails etc;

Under £250 – Funded by School

- The school should follow best practice DFE procurement (buying) guidance (<https://www.gov.uk/guidance/buying-for-schools>).
- The school will then purchase the agreed equipment/resources from their own budget.

Over £250 – Funded by the LA

A recharge will be issued to the school on an annual basis amounting to 10% of the purchase cost of the equipment, or £250 whichever is the greater.

The advisory teacher will offer support to complete the Equipment Request Form (**Appendix 1**). Evidence from professionals such as an Occupational Therapist recommendation, should be provided to support the request together with quotations that align with the specification.

All equipment purchased under this policy remains the property of the Hartlepool Local Authority at all times, who reserve the right to reallocate any equipment not currently utilised to another school to fulfil need elsewhere in the schools estate.

Equipment Request Form

Name of School/PVI:
Name of Child/Young Person: DoB:
Reason for Request: (i.e Occupational Therapist recommendation)
Cost of Equipment: (Please include quotations)

Please ensure the form is signed and supported with evidence from appropriate professionals.

Signed by: Date:

Designation: SENDCo

Signed by: Date:

Designation: Headteacher

By signing the above, you are acknowledging that your school will pay the first £250 or 10% of the equipment purchase price, whichever is the greater. If there is surplus equipment within the schools estate which meet the needs of your request, the Local Authority will endeavour to re-allocate this equipment where appropriate. In this instance recharge costs may not be necessary.

Completed forms should be sent to: SEND Team, CETL, Brierton Lane, Hartlepool TS25 4BY.