



Consultation Document

Local Area Proposals for Achieving and Maintaining a Balanced Higher Needs Budget

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Consultation

School Forum is in the process of identifying ways to meet the challenges posed by a deficit in the Higher Needs Block of the Dedicated Schools Grant. The proposals have been generated through a series of meetings between Local Authority Officers and School Representatives.

Difficult decisions have to be made and we welcome your feedback on the range of proposals set out by School Forum to help shape the direction for the future.

Your opinions form an important part of this process. The results and your feedback will be used by School Forum and as part of an evidence base to the Secretary of State.

To enable the widest feedback to be provided the consultation does not limit the information you may wish to share with us.

Consultation Questions

1. Do you support the proposals listed in **Strengthening an Inclusive and Accountable Culture?**

Yes

No

Please comment

2. Do you support the proposals listed in **Ensuring Children and Young People have access to alternative and bespoke provision?**

Yes

No

Please comment

3. Do you support the proposals listed in **Ensuring the right children, achieve the right level of support, at the right cost?**

Yes

No

Please comment

4. Do you support **the virement application** to deal with the deficit budget position?

Yes

No

Please comment

Please provide any other information and comments you wish to raise

Current Position

Torbay's High Needs Budget is facing severe financial pressure that needs to be addressed as a matter of urgency. In 2017/2018 the whole Schools Budget was overspent by just under £1 million (£983,000) but the High Needs Budget within this was overspent by more than £1.4 million, with savings elsewhere (primarily Early Years).

The virement of 0.5% from the Schools Block in 2018/2019 had reduced this pressure from 2017/2018 to £614,000. However, given the pressure is increasing in 2018/2019 due to rising numbers of pupils with Education, Health and Care Plans (EHCPs) and increased costs, there is a need to find a long-term solutions to the pressures.

There is no Dedicated Schools Grant (DSG) reserve. The carry forward pressure from 2017/2018 places the reserve in a negative position of £614,000. Given the local authorities overall financial position, especially the increasing social care pressures, there is little if no scope to make available any corporate funding to alleviate High Needs pressures. There is equally no basis for the local authority to occur the costs that sit within the Dedicated Schools Grant.

The analysis of Torbay's High Needs Budget shows that, whilst there are some noticeable differences with other authorities in terms of headline figures (Appendix 1 – Demand Data), the underlying local issues are very similar to the national picture. However, it is evident that Torbay's starting position of a comparatively high number of High Needs pupils, and consequently high cost, is a big contributory factor a worsening financial position. (Appendix 2 – Overall financial position paper)

The trajectory outturn position of 2018/2019 demonstrates that the Higher Needs budget pressure could be as much as £2.6 million at the end of the financial year.

At the request of School Forum, a High Needs Recovery Group (HNRG) was established to consider ways in which to reduce these pressures. The group made up of system leaders across education, health and social care have considered in detail the demands that are leading to the increased spend. At the May 2018 HNRG meeting it was agreed that an approach to include both work to change the factors contributing to demand and cost and a virement application to deal with the deficit position should be adopted. The following paper sets out a proposed approach.

Strengthening an inclusive and accountable culture

In 2016 the Local Authority commissioned an independent consultant to undertake an audit of Special Educational Needs and Disabilities (SEND) practice in all schools. This audit demonstrated that there was significant good practice within schools and areas for all schools to consider for future developments. The audit demonstrated that the systems and processes used varied significantly across all institutions and good practice was often isolated to one school, one multi academy trust or an individual year group.

SEND casework officers report that there is a varying offers across schools and a differing approach to the work that will be offered and conducted for children with identified SEND needs.

Work between the community of schools and Local Authority to bring forward a change in approach has strengthened the offer in some schools i.e. Thrive, Autism Champions and Attachment training. However there remains a significant difference in the approach, financial commitment, tolerance and levels of inclusivity that are seen across schools.

This difference in approach is notable in relation to demand for alternative placements and both fixed term and permanent exclusions. The following chart shows Torbay against comparator authorities.

	Primary			Secondary			Special			All		
	Permanent exclusion rate (1)	Fixed period exclusion rate (2)	One or more fixed period exclusion rate (3)	Permanent exclusion rate (1)	Fixed period exclusion rate (2)	One or more fixed period exclusion rate (3)	Permanent exclusion rate (1)	Fixed period exclusion rate (2)	One or more fixed period exclusion rate (3)	Permanent exclusion rate (1)	Fixed period exclusion rate (2)	One or more fixed period exclusion rate (3)
ENGLAND (4)	0.03	1.37	0.62	0.20	9.40	4.62	0.07	13.03	5.09	0.10	4.76	2.29
SOUTH WEST (4)	0.04	1.69	0.71	0.19	9.40	4.49	0.10	17.55	6.54	0.10	5.14	2.38
Devon	0.07	1.57	0.71	0.22	7.63	3.60	0.36	14.91	5.87	0.14	4.16	1.93
Plymouth	0.02	0.70	0.34	0.09	8.22	4.40	x	20.25	8.79	0.05	4.27	2.23
Redcar and Cleveland	0.00	0.49	0.18	0.15	29.52	9.34	0.00	20.11	7.24	0.06	11.60	3.70
Blackpool	0.00	1.70	0.88	0.59	19.17	9.40	0.00	2.84	2.07	0.22	7.99	3.96
North East Lincolnshire	0.04	1.77	0.99	0.41	17.20	7.56	0.00	10.97	4.08	0.17	7.41	3.37
Rotherham	0.03	1.70	0.71	0.12	17.17	6.12	0.00	0.00	0.00	0.07	8.03	2.92
Telford and Wrekin	0.02	3.11	1.10	0.08	28.18	7.75	0.00	17.69	5.77	0.04	13.16	3.78
Southend-on-Sea	0.00	0.73	0.37	0.13	10.93	4.55	0.00	5.06	3.75	0.07	5.34	2.29
Isle of Wight	0.00	1.36	0.61	0.06	12.16	5.36	0.00	8.65	3.81	0.04	6.11	2.70
Statistical Neighbour Average	0.01	1.55	0.69	0.22	19.19	7.15	0.00	9.33	3.82	0.10	8.52	3.25
Torbay	0.03	2.41	1.08	0.33	9.63	5.20		16.86	8.43	0.16	5.94	3.07

Census Data – Exclusions 2016/2017

School Forum Proposals - Strengthening an Inclusive and Accountable Culture

Peer to Peer Challenge

Governing Bodies and School Leaders are delegated funds to ensure that they can meet the duties listed in the SEN code of practice. These duties include making provision for and meeting the needs of pupils at the earliest level of need. Evidence gathered through the request for statutory assessment process and permanent exclusion paperwork demonstrates that whilst some schools provide a significant level of resources and access to professional assessment prior to seeking an alternative provision or EHC plan, others can give little or no evidence of interventions leading up to the request for support.

The current mechanisms in place do not facilitate the opportunity for the sharing of practice or discussion of provision at the lowest level of need. The pupil is only discussed when either a request for statutory assessment is received or a request for an alternative placement is passed through the Pupil Referral Panel. Whilst the Local Authority can challenge individual school decisions on the allocation of resources, this is often at the point of no return for the individual pupil.

As subject experts, School Leaders across the system need to hold one another to account on these matters and both offer challenge and support to each other on how to best meet needs.

For this reason the Local Authority will facilitate a peer challenge approach, with delegated personnel attending a meeting to discuss pupils and provision required. The peer challenge group will draw on good evidence based practice, work to the agreed behaviour thresholds and ensure that quality first teaching and provision is made available to pupils in line with the agreed local protocol. Attendees will need to be able to hold each other to account and have the necessary delegated authority to agree to budget allocation within their schools.

With a successful peer challenge network in place only those pupils with complex needs will be discussed at Pupil Referral Panel after a significant period of intervention. This will limit the number of pupils that require a bespoke arrangement.

Fair Access Protocols

In the diverse provider market of Schools, there is emerging evidence that some schools are accepting a disproportionate amount of pupils who have complex needs above others. This is causing significant strain on particular schools or year groups within schools and is not providing the best possible start for the child or young person to succeed.

The Local Authority in consultation with schools has revisited the Fair Access Protocols and agreed a set of measures to ensure equality across the system can be assured and measured.

This includes a 3% admittance rate above the October census per year group, per school. This will ensure that all schools can be considered and approached for the placement of a child or young person that meet the criteria for fair access.

In its implementation the Local Authority needs to act with greater oversight of this process, encourage reintegration across the system and ensure that all schools adhere to the local Fair Access Protocol.

Providing independent advice to parents

For many children and young people the route to alternative provision is through permanent exclusion. The decision to permanently exclude is not a decision that is taken lightly by any school and it has to be considered that the majority of decisions are taken in the context that it is felt to be a necessary step for the child or young person. However the threshold for permanent exclusion varies considerably across schools and is largely driven by the behaviour policy adopted by the school. There is a variability in the way that schools apply good practice guidance such as ACPO (drug advice for schools) and within some schools the interpretation of this policy is dealt with differently for each child. The appropriateness of re-integration provision for children subject to fixed term exclusions is also another considerable factor.

For many parents this is a difficult time and one where relationships between the school and family can be strained, due to many factors. At the point of an exclusion it is important

to support the family to understand the decision, work to secure education provision and ensure that the family understands their right of appeal.

Currently an independent advice and support service is not available to all families that do not meet the criteria for SENDIAS services. To ensure that parents are fully supported and informed of their right to appeal, access to independent support should be provided.

The estimated cost of providing this provision would be £20,000 per year.

Providing Training and Information to Governors

An unintended consequence of the Government's strong focus on school standards has led to school environments and practices that can result in disadvantaged children being disproportionately excluded or off rolled. In exercising their duties governors should be mindful of this agenda and ensure that all groups of pupils are considered in their decision making and accountability measures.

To support governors in providing both the challenge and support to the senior leaders of their schools it would be advisable to provide appropriate focused training on inclusion, equipping governors with the necessary questions to fulfil their role.

The previous SEND audit conducted on all schools in 2016, supported senior leaders and governing bodies to be reflective and evaluative of current practice in relation to SEND. This audit also provided a valuable mechanism for school feedback to the local authority SEN team, with many actions being taken forward collectively through the SEND network.

To ensure that schools receive appropriate support and challenge it would be advisable to offer schools a further audit opportunity, this would enable a reflection on what has been achieved since 2016 and offer a further review of current practice. In addition the review could be used to ensure that there is information gathered on the element 2 funding that is received by schools, further strengthening the opportunity for equity across the school system.

The estimated cost of providing this provision would be £30,000 per year.

Ensuring children and young people have access to alternative and bespoke provision.

For some pupils who can't attend mainstream school for a variety of reasons, such as school exclusion, behaviour issues, short or long term illness or school refusal, there needs to be access to alternative and bespoke provision.

Torbay commissions a range of alternative provision both within the geographical boundary and in the neighbouring authority. The demand for this provision is above the numbers currently commissioned by the Local Authority.

The Local Authority discharges its duty for permanently excluded students through alternative provision provided by Mayfield – Chestnut Centre for the Primary Phase and Catch 22 Multi Academy Trust – Burton Academy for secondary students.

Students unable to receive suitable education due to illness are provided for through the work of the Medical Tuition Service and its Hospital School.

The Cost of Alternative Provision

£1.21 million was spent on commissioned secondary AP and assessment top ups in 2017/18

This is the cost of commissioned Alternative Provision at Burton Academy

£120,000 was spent on commissioned primary AP and assessment top ups in 2017/18 excluding outreach services

As Mayfield Chestnut is a combined SEMH/AP provision it is not possible to arrive at an absolute figure. Using Burton as indicative this is the cost of 7 exclusion places.



£610,000 - base funding for 55 places at Burton and 6 at Chestnut

As more children are excluded to Alternative Provision this cost is increasing.
(£490,000 in new exclusions in 2017/18 should they remain for a year)

£147,904 - cost of transporting students to Burton, Chestnut and the Medical Tuition Service.

90% of this cost was on taxis to all three services.



School Forum Proposals - Ensuring children and young people have access to alternative and bespoke provision.

Exclusion Recovery Process

School Forum have already taken proactive steps to consider the recoupment mechanism applied across all schools that permanently exclude a pupil. In June 2018, a decision was taken to adjust the recoupment mechanism to include Minimum Funding Guarantee (MFG). Although this will not recover significant additional funds it ensures that the funding follows the pupil to the maximum amount possible.

Recovering funding from schools for pupils moving to bespoke, alternative provision or those selecting to become electively home educated

The Local Authority currently recovers no funds from schools where a pupil moves to a bespoke or alternative provision. The funding attracted for the pupil remains with the school where the child was originally registered on the school census. The lack of recovery of funds results in the higher needs block covering the full cost of the new place.

To ensure that the funding received follows the child and the cost to the higher needs block is reduced it would be appropriate to charge schools for this provision. This could equally apply to children coming of a school roll to be educated at home. This funding could be brought back and used across the system.

The table below demonstrates the potential funds that could be recovered back into the higher needs budget:

	Unit Value to recover £		No. of pupils	Potential Cost Recovery £	Note
Medical Tuition Service	6,000		30	180,000	1
Assessment places at Alternative Provision	6,500		15	97,500	1
Elective Home Education (from May)	9,360	X 80%	30	205,920	2
Elective Home Education (from Oct)	9,360	X 80%	30	112,320	2
Elective Home Education (from Jan)	9,360	X 80%	30	56,160	2
Total recovery of funds from schools				651,900	

Notes:

1 – This would be a yearly charge as long as the pupil remains on the school census.

2 – The unit value of £9,360 has been calculated using secondary unit values of £4,600 minimum per pupil funding, £573 EAL, £1,988 FSM, £1,264 Low Attainment and £935 Pupil Premium. This is the same charge as excluded pupils and would be pro-rata. The 80% assumes that not all pupils will attract all these elements of funding.

Reviewing the cost and availability of alternative commissioned placements

For both pre 16 and post 16 independent placements, fees are based on agreement between the authority and the provider. Torbay currently has over 30 pupils in pre-16 places, costing about £1.4 million and about 50 in post 16 places, costing over £1.1 million.

The Local Authority has a number of actions in place to consider the increasing cost pressures and value for money of such provisions. These include:

- Post 16 working group and panel to ensure required outcomes are achieved and value for money is obtained, by strengthening accountability measures.

- Reviewing existing arrangements, including joint funding (social care and health).
- Consideration of capping commissioned place numbers.

For bespoke arrangements and packages, the SEND casework officers take the responsibility to negotiate and agree fees with providers. The caseworkers have a good understanding of the individual needs and relative costs to support those needs and do have success in managing down costs. However, the Local Authority needs to move towards having a dedicated resource for agreeing placement costs and the commissioning of places.

Current arrangements are commissioned on a spot purchase system, learning from other authorities, Torbay needs to negotiate a block contract arrangement with provider institutions that could deliver significant savings through agreed efficiencies.

By working with current providers to negotiate block contract rates it is anticipated that £200,000 savings could be achieved.

Creating alternative provision within the local area

There are currently five area- based resource provisions in Torbay. The top up funding provided to these provisions demonstrates good value for money, when compared to externally commissioned placements. A sixth resourced provision opened in September 2018 at Paignton Community and Sports Academy (PCSA), with potential savings in excess of £100k per annum.

Analysis of the cohort taught within externally commissioned placements, demonstrates that there is a need to prioritise the development of primary SEHM provision, for excluded primary aged pupils. Three multi academy trusts have approached the local authority with a proposal to offer an enhanced resource base.

Working with these providers there is the potential to create six placements, relieving the pressure on Mayfield – Chestnut and enabling the school to become a specialist SEMH provision. This would reduce the reliance of the Local Authority on using additional packages that are bespoke and costly. This could potentially reduce the budget by £80,000 per year.

On the 13th August 2018, the Department for Education opened an opportunity for Local Authorities to apply to open a special or alternative provision free school. The suggested criteria for a successful application would require a cross border application, the Local Authority is engaged with neighbouring authorities to work on a bid that could offer an alternative solution to meet need, including the potential for a post sixteen offer. Due to the timing of the announcement it is unknown at this stage what savings could be achieved through a successful application.

Ensuring an appropriate contribution and investment in services from Health and Social Care

Many of the children and young people require additional support that is beyond the remit of an education provision. For a significant cohort of SEN pupils there is a need for either or both, social care and health support. The code of practice for SEN is starting to embed a stronger understanding of a joint and co-ordinated plan. Work conducted by the Local Area is strengthening initial systems and processes, but there is still lots of work to do to achieve a holistic assessment and plan for children when appropriate.

Work needs to continue with the professional bodies across the partnership to ensure that children and young people are in receipt of a co-ordinated plan, and where appropriate this needs to be funded across all agencies.

Initial work conducted on joint placement funding has ensured that the joint funded placements are within the set budget and are reducing in cost from an education perspective.

To build on this good work a joint funding panel has been established with Health, Social Care and Education. This panel will discuss complex cases and agree a proportionate share of costs for any significant package of support. The first panel took place in September 2018 and will meet monthly.

School Forum Proposal - Ensuring the right children, achieve the right level of support, at the right cost

Request for Statutory Assessment and Issuing of Education Health and Care Plan

Torbay historically and currently has a higher proportion of children and young people with Education Health and Care Plans. The local authority also has a relatively low number of tribunal cases and requests for mediation. This may be an accurate reflection of the high number of pupils with complex needs or could be attributed to an application of thresholds that differs from other authorities or to a lack of challenge to support needs without the need for an EHCP.

Plymouth the partner authority for Torbay has not experienced the significant increase in requests for statutory assessment since the introduction of the code in 2014, nor have they issued an increased number of EHCP's. The current refusal rate for Plymouth is 40% of all requests.

To ensure accurate application of threshold, it is proposed that Torbay uses the partner relationship with Plymouth to test EHCP thresholds, inviting Plymouth colleagues to be a member of the panel.

A reduction in the issuing of EHC plans would result in the reduction of future spend and bring us further in line with statistical comparators.

Element 3 (Top up)

The EFSA's operational guide sets out how the top up funding system works, in addition to the core funding. This guide places emphasis on local authorities working with all providers to ensure that there are clear processes for allocating top up funding.

For mainstream schools the guide states that 'Top up funding rates . . . should reflect the needs of the individual and the cost of meeting those needs.' They should be 'on a consistent and fair basis'. Funding may also be provided where a school has a disproportionate number of pupils with a particular type of SEND. Further, the guide states 'Local authorities should have a formula or other method, based on experience of distributing additional funding to their schools and academies. In all cases the distribution methodology should be simple and transparent, and devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their disproportionate number of High Needs or SEND pupils or their characteristics'.

In theory, this means that there are four main options (with variants) for a top up system:

- An all-in, flat cash value e.g. reach a tipping point and get a fixed sum. This is highly dependent on local culture, e.g. if all schools agree to accept potential for gains and losses in relatively equal measures across time.
- A banding threshold system, dependent on determining local qualitative/quantitative criteria to measure the child's needs against;
- A real terms "costed" model- for example if you apply specific quantified advice about what special education provision the child requires, you can cost this out £ for £. However this could prove expensive and raise expectations.
- A highly delegated model, where you ensure fair spread of the element 3 factor across all schools and the LA doesn't need to attach any monies to an EHC plan because all schools are financed and required to deliver a suite of SEN provisions. This could be a risky option but if planned and implemented well, the payoff is that it could encourage localism, spreads the load and could be achieved within the Higher Needs Budget.

Most authorities' formula have some mechanism that converts assessed need into a value, whether a point scoring system on an individual basis or a banding system. Most authorities are reviewing, or have already reviewed, their approaches in light of budget pressures and are adjusting them by any one or a combination of:

- Completely reviewing the assessment process
- Reducing the number of bands
- Reducing the values applied to bands
- Restricting the overall top up budget and applying that pro rata across all schools – whether on assessed need or historical factors or simply on the individual schools budget.

Torbay's current process is administratively time consuming. This includes a detailed assessment of criteria (55 in total) within four main characteristics (cognition and learning,

communications and interaction, behaviour and emotional & social development, sensory, physical and or medical.) For each criterion a score within a set range is allocated. This is then added up, multiplied by 39 (weeks), and then multiplied by £4.41 (rounded) to arrive at a value for additional support required. If this value is above £6,000 then this is provided as a top- up. This approach serves well to arrive at individuals' needs, however it can be made more efficient.

Torbay needs to review its detailed assessment process and associated values applied to an individual pupil level, as one of main sources of potential savings to deal with the deficit and maintain a balanced budget into the future.

Torbay needs to review the process used for allocating Element 3 funding and work with schools and families to introduce a banding system that aligns with the budget available. To achieve this there would need to be a dedicated working party and an implementation plan that would potentially result in a panel decision process, creating shared accountability.

Special Schools

Special schools are protected in line with the minimum funding guarantee for mainstream schools (0.5% and -1.5% limits), within certain parameters.

Torbay and the majority of Local Authorities delegate funds to special schools through a banded system based on the pupil's needs. It is recognised that average values per pupil in other authorities appear to be higher than those allocated in Torbay. For example Wigan Council's top up is about £10,000 per pupil compared with Torbay's at about £7,000 per pupil. The comparator statistics show Torbay as the 2nd highest per capita (0-19) compared with Wigan at 10th highest (out of 11) in the group. This reflects the relative number of pupils with EHCPs.

Despite Torbay being a relatively low spender per pupil for these top ups, with a total spend of about £4.3 million, this has to be considered as a potentially area of saving to achieve a balanced budget and maintain the position in the future.

To manage the spend on Special Schools it is proposed to limit the special school funds to the 1% increase that has been included in the DfE technical guidance. This includes the 0.5% increase in 2017 – 2018 and a further 0.5% increase from the 2018 – 2019 position.

The following table demonstrates the impact on each school.

SCHOOLS FORUM 1/10/18														
SPECIAL SCHOOL PER PUPIL FUNDING														
REDUCTIONS IN BUDGET TOP-UP VALUES FOR 19/20 COMPARED WITH CURRENT 18/19 TOP-UP VALUES AGREED BY SCHOOLS FORUM IN MARCH 18														
							Current Funding Position				With 1% increase in initial funding			
	Initial Top-up per pupil £	Current Top-up per pupil £	Initial Top-up with 1% increase in funding £	Number of Places Jan 18	Number of Pupils Jan 18	Initial Funding Position	Place Funding £	Pupil Funding £	Total Funding £	Increase agreed by Forum £	Place Funding £	Pupil Funding £	Total Funding £	Reduction in Funding £
Combe Pafford														
Autism	4,726	5,132	4,926	38	54	635,204	380,000	277,128	657,128	21,924	380,000	266,002	646,002	11,126
BESD 1	5,240	5,690	5,462	19	21	300,040	190,000	119,490	309,490	9,450	190,000	114,696	304,696	4,794
SLD	5,127	5,567	5,344	2	6	50,762	20,000	33,402	53,402	2,640	20,000	32,064	52,064	1,338
Hearing	5,014	5,444	5,226	2	2	30,028	20,000	10,888	30,888	860	20,000	10,452	30,452	436
MLD 1	507	551	528	63	47	653,829	630,000	25,897	655,897	2,068	630,000	24,837	654,837	1,060
MLD 2	1,291	1,402	1,346	53	41	582,931	530,000	57,482	587,482	4,551	530,000	55,171	585,171	2,311
MLD 3	2,337	2,538	2,436	27	27	333,099	270,000	68,526	338,526	5,427	270,000	65,769	335,769	2,757
PD	4,726	5,132	4,926	9	13	151,438	90,000	66,716	156,716	5,278	90,000	64,038	154,038	2,678
SpecLD	2,281	2,477	2,378	4	2	44,562	40,000	4,954	44,954	392	40,000	4,755	44,755	199
SLCN	4,575	4,968	4,769	32	35	480,125	320,000	173,880	493,880	13,755	320,000	166,900	486,900	6,980
Visual	7,858	8,532	8,190	3	1	37,858	30,000	8,532	38,532	674	30,000	8,190	38,190	342
Totals				252	249	3,299,876	2,520,000	846,895	3,366,895	67,019	2,520,000	812,875	3,332,875	34,020
Mayfield & Chestnut														
PMLD	12,046	12,606	12,305	52	49	1,110,254	520,000	617,694	1,137,694	27,440	520,000	602,941	1,122,941	14,753
BESD1 - Chestnut	10,592	11,085	10,820	32	33	669,536	320,000	365,805	685,805	16,269	320,000	357,049	677,049	8,756
SLD	6,452	6,752	6,591	146	151	2,434,252	1,460,000	1,019,552	2,479,552	45,300	1,460,000	995,192	2,455,192	24,360
Totals				230	233	4,214,042	2,300,000	2,003,051	4,303,051	89,009	2,300,000	1,955,182	4,255,182	47,869
Burton & Brunel														
Brunel - SEMH	13,000	13,480	13,236	56	54	1,262,000	560,000	727,920	1,287,920	25,920	560,000	714,742	1,274,742	13,178
Burton - Alternative Provision	9,500	9,850	9,672	50	63	1,098,500	500,000	620,550	1,120,550	22,050	500,000	609,363	1,109,363	11,187
Totals				106	117	2,360,500	1,060,000	1,348,470	2,408,470	47,970	1,060,000	1,324,105	2,384,105	24,365
Special School Totals				588	599	9,874,418	5,880,000	4,198,416	10,078,416	203,998	5,880,000	4,092,162	9,972,162	106,254

Managing the historic and expected deficit

The measures listed in this report will create a marked shift to bring about significant cost reductions alongside increasing accountability and inclusive practice. This will begin to address the driving factors that lead to demand led costs and help to ensure mechanisms are in place to only allocate resources that are within the delegated higher needs budget.

The proposals listed within the report identified a number of options that could be implemented. These are summarised below to demonstrate the recovery savings that could be achieved if all options were implemented and achieved.

	£m
Recovery of Funds from schools where pupil moves to alternative provision	£0.6m
Renegotiation of Commissioned Placement costs	£0.2m
Creating Alternative provision in Local Area	£0.1m
Special School Funding	£0.1m
Total if all Options Implemented and Achieved	£1m

The options above recover under 50% of the shortfall predicted for 2018/2019.

School Forum have considered a number of options and recognise that an application to ask for the removal of the regulation, to cap the movement of funds between blocks, has to be submitted to the Secretary of State. This will begin to address the historic deficit and the projected year end out turn position.

School Forum took a decision to recover a value of £1.359 million, a disapplication percentage of 1.79%. The disapplication option would include the 0.5% allowed by Schools Forum.

	Disapplication Required	
To achieve a balanced budget for 2019/20	£m	%
If £1m options above accepted	1.359	1.79
If £1m options above not accepted	2.4	3.17
To recover 18/19 and prior year deficit	3.0	3.96
If £1m options above accepted: To recover 18/19, prior year deficit and achieve a balance budget in 19/20	4.4	5.81
If £1m options above not accepted: To recover 18/19, prior year deficit and achieve a balance budget in 19/20	5.4	7.13

Disapplication request to transfer funds from Schools Block to Higher Needs Block

School Forum established a working party to look at how the growth funds should be shared amongst schools if the disapplication request was approved. In taking their decision the group considered the principles that had been used to agree the allocation of growth funds by the School Forum at a previous meeting. This included the consideration of the minimum per pupil amounts, whilst also being mindful of the impact on schools to make the necessary step changes to alter the budget.

The working party agreed to consult on the following model of allocating the £841k growth funds.

- Assume a Minimum Funding Guarantee of 0% per pupil
- Minimum per pupil amount of £3,400 for Primary (50% increase from 18/19 levels)
- Minimum per pupil amount of £4,700 for Secondary (50% increase from 18/19 levels)
- The majority of the drivers used to allocate the 19/20 funding will be the same as in 18/19, you will see the unit values used for modelling purposes in the tables below:

AWPU

Lump sum

FSM

IDACI (Bands A - E)

IDACI (Band F – New for 19/20)

Prior Attainment

PFI

Split Sites

Rates

English as an additional language

The following chart indicates the impact of the virement application on each individual school budget.

Schools Forum 1/10/18

Comparison between 18/19 allocations and the potential impact on schools in 19/20 if £1.359m of the Schools Block growth was not allocated

£1.359m would require a 1.79% (of Schools Block) disapplication request

These allocations ensure a minimum per pupil funding of £3,400 for Primary & £4,700 for Secondary for 19/20 (50% of the increase from 18/19 towards the values of £3,500 Primary & £4,800 Secondary).

DfE No.	School Name	Pupil Numbers Oct-17	18/19 Allocation	18/19 Allocation	18/19 Funding per pupil before minimums are applied	19/20 Potential Allocation with £841k DSG Growth	19/20 Potential growth school would receive with £841k growth	19/20 £841k growth	19/20 £841k growth per pupil before minimums are applied	19/20 Potential Allocation with £2.2m DSG Growth	19/20 Potential growth school would receive with £2.2m growth	19/20 £2.2m growth	19/20 £2.2m growth per pupil before minimums are applied	19/20 Funding School wouldn't receive with £1.359m Disapplication
			£	Formula or MFG	£	£	£	Formula or MFG	£	£	£	Formula or MFG	£	£
2407	Furzeham Primary and Nursery School	275	1,027,474	Formula	3,736	1,055,153	27,678	Formula	3,837	1,072,396	44,921	Formula	3,900	17,243
2434	Curledge Street Academy	414	1,633,389	Formula	3,945	1,633,389	0	MFG	3,945	1,670,079	36,691	Formula	4,034	36,691
2438	Oldway Primary School	637	2,106,385	Formula	3,307	2,165,800	59,415	Formula	3,331	2,165,800	59,415	Formula	3,368	0
2439	White Rock Primary School	544	1,864,299	Formula	3,427	1,887,101	22,801	Formula	3,469	1,917,390	53,091	Formula	3,525	30,290
2453	Cockington Primary School	564	2,163,842	Formula	3,837	2,165,051	1,209	Formula	3,839	2,217,497	53,655	Formula	3,932	52,446
2454	Ellacombe Academy	351	1,521,644	MFG	4,335	1,521,644	0	MFG	4,335	1,521,644	0	MFG	4,335	0
2455	Homelands Primary School	207	915,215	Formula	4,421	934,721	19,505	Formula	4,516	956,193	40,978	Formula	4,619	21,472
2456	St. Margaret's Academy	409	1,557,456	Formula	3,808	1,573,297	15,842	Formula	3,847	1,613,426	55,970	Formula	3,945	40,129
2460	Watcombe Primary School	195	879,666	Formula	4,511	879,666	0	MFG	4,511	896,861	17,195	Formula	4,599	17,195
2464	Preston Primary School	321	1,129,564	Formula	3,519	1,131,213	1,649	Formula	3,524	1,140,692	11,128	Formula	3,554	9,479
2468	Shipway Learning Academy	421	1,454,300	Formula	3,454	1,455,948	1,648	Formula	3,458	1,464,872	10,572	Formula	3,480	8,924
2469	Sherwell Valley Primary School	645	2,228,882	Formula	3,456	2,228,882	0	MFG	3,456	2,240,631	11,748	Formula	3,474	11,748
2473	Roselands Primary School	310	1,128,860	Formula	3,641	1,135,638	6,778	Formula	3,663	1,155,815	26,955	Formula	3,728	20,177
2474	Barton Hill Academy	586	2,688,176	MFG	4,587	2,688,176	0	MFG	4,587	2,688,176	0	MFG	4,587	0
3103	Brixham C of E Primary School	212	802,830	Formula	3,787	843,132	40,302	Formula	3,977	860,012	57,181	Formula	4,057	16,880
3119	Ilsham Academy	174	633,271	Formula	3,639	650,043	16,772	Formula	3,736	659,458	26,187	Formula	3,790	9,415
3120	Upton St. James Primary	101	486,836	Formula	4,820	495,276	8,440	Formula	4,904	509,207	22,371	Formula	5,042	13,931
3121	Warberry C of E Primary School	393	1,444,544	Formula	3,676	1,456,710	12,166	Formula	3,707	1,488,197	43,653	Formula	3,787	31,487
3600	Galmpton C of E Primary School	219	767,660	Formula	3,505	779,773	12,112	Formula	3,561	786,273	18,613	Formula	3,590	6,500
3601	St. Margaret Clithrow Catholic Primary School	123	500,509	Formula	4,069	517,432	16,923	Formula	4,207	525,341	24,832	Formula	4,271	7,909
3613	Sacred Heart Catholic Primary and Nursery School	207	848,805	Formula	4,101	852,461	3,656	Formula	4,118	872,442	23,636	Formula	4,215	19,980
3614	Our Lady of the Angels Catholic Primary School	173	715,042	Formula	4,133	718,117	3,076	Formula	4,151	733,825	18,783	Formula	4,242	15,707
3615	All Saints Babbacombe C of E Primary School	204	798,873	Formula	3,916	811,777	12,903	Formula	3,979	829,104	30,230	Formula	4,064	17,327
3616	St. Marychurch C of E Primary School	308	1,178,286	Formula	3,826	1,189,027	10,741	Formula	3,860	1,215,627	37,341	Formula	3,947	26,600
3617	Priory Roman Catholic Primary School	163	690,786	Formula	4,238	702,148	11,363	Formula	4,308	717,683	26,897	Formula	4,403	15,535
3618	Torre C of E Primary School	296	1,131,574	Formula	3,823	1,146,900	15,326	Formula	3,875	1,175,085	43,511	Formula	3,970	28,185
3619	Collaton St. Mary C of E Primary School	208	781,353	Formula	3,757	801,374	20,021	Formula	3,853	820,478	39,125	Formula	3,945	19,104
3751	Eden Park Primary Academy	391	1,463,714	MFG	3,744	1,488,962	25,248	Formula	3,808	1,517,506	53,791	Formula	3,881	28,543
3752	Kings Ash Academy	358	1,624,081	Formula	4,537	1,624,081	0	MFG	4,537	1,651,236	27,155	Formula	4,612	27,155
5200	Hayes School	408	1,620,952	Formula	3,973	1,620,952	0	MFG	3,973	1,661,845	40,893	Formula	4,073	40,893
	TOTAL PRIMARY SCHOOLS	9,817	37,788,268			38,153,843	365,575			38,744,787	956,519			590,944
4114	Torquay Grammar School for Girls	712	3,275,200	Formula	4,387	3,346,400	71,200	Formula	4,426	3,346,400	71,200	Formula	4,470	0
4115	Torquay Academy	1147	5,761,229	Formula	5,023	5,802,248	41,019	Formula	5,059	5,986,638	225,408	Formula	5,219	184,389
4116	Churston Ferrers Academy	738	3,394,800	Formula	4,389	3,468,600	73,800	Formula	4,444	3,468,600	73,800	Formula	4,491	0
4117	The Spires College	728	4,034,549	Formula	5,542	4,075,079	40,530	Formula	5,598	4,206,569	172,020	Formula	5,778	131,490
4118	Brixham Academy	986	4,794,562	Formula	4,863	4,875,862	81,301	Formula	4,945	4,999,372	204,810	Formula	5,070	123,509
4119	Paignton Community & Sports Academy	1277	6,688,803	Formula	5,238	6,740,501	51,698	Formula	5,278	6,940,225	251,422	Formula	5,435	199,724
4601	St Cuthbert Mayne Joint Catholic and C of E School	768	3,955,483	Formula	5,150	3,992,314	36,830	Formula	5,198	4,121,293	165,810	Formula	5,366	128,979
5401	Torquay Boys' Academy	790	3,634,000	Formula	4,386	3,713,000	79,000	Formula	4,437	3,713,000	79,000	Formula	4,479	0
	TOTAL SECONDARY SCHOOLS	7,146	35,538,626			36,014,004	475,378			36,782,096	1,243,470			768,092
	TOTAL PRIMARY & SECONDARY	16,963	73,326,895			74,167,847	840,952			75,526,883	2,199,988			1,359,036
	PRIMARY AVERAGE PER PUPIL		3,849			3,887				3,947				
	SECONDARY AVERAGE PER PUPIL		4,973			5,040				5,147				
	PRIMARY:SECONDARY RATIO		1.29			1.30				1.30				

Note of caution - these allocations will change when Oct 18 census data is used and also any changes to unit values and process changes which the ESFA may implement for 19/20.

Assumptions										
Pupil numbers for 18/19 & 19/20 are the same.										
Allocations for PFI, Split Sites & Rates for 18/19 & 19/20 are the same.										
The minimum funding guarantee has been set at 0%										
The unit values used for the allocations are:		Primary	Primary		Primary	Secondary	Secondary		Secondary	
		18/19	19/20		19/20	18/19	19/20		19/20	
			£841k		£2.2m		£841k		£2.2m	
		£	£		£	£	£		£	
Age Weighted Pupil Unit (AWPU) - KS1 & 2		2,806.18	2,776.59		2,776.59					
Age Weighted Pupil Unit (AWPU) - KS3						3,862.65	3,862.65		3,862.65	
Age Weighted Pupil Unit (AWPU) - KS4						4,386.81	4,386.81		4,386.81	
Lump Sum		85,000	98,000		98,000	110,000	110,000		110,000	
FSM		1,301.24	1,171.11		1,236.18	1,988.03	1,491.02		1,988.03	
FSM - Ever 6		0	0		0	0	0		0	
IDACI - Band A (score between 0.5 & 1.0)		966	851.15		1,061.72	642.42	828.49		1020.47	
IDACI - Band B (score between 0.4 & 0.5)		805	616.35		768.83	535.35	614.69		757.12	
IDACI - Band C (score between 0.35 & 0.4)		644	572.33		713.91	428.28	573.11		705.92	
IDACI - Band D (score between 0.3 & 0.35)		483	528.3		659.00	321.21	525.6		647.4	
IDACI - Band E (score between 0.25 & 0.3)		322	352.2		439.33	214.14	445.43		548.64	
IDACI - Band F (score between 0.2 & 0.25)		0	293.5		366.11	0	296.95		365.76	
Prior attainment		631.11	631.11		631.11	1,264.08	1,264.08		1,264.08	
EAL		642.07	642.07		642.07	573	573		573	
Minimum per pupil funding		3,300	3,400		3,400	4,600	4,700		4,700	

Conclusion

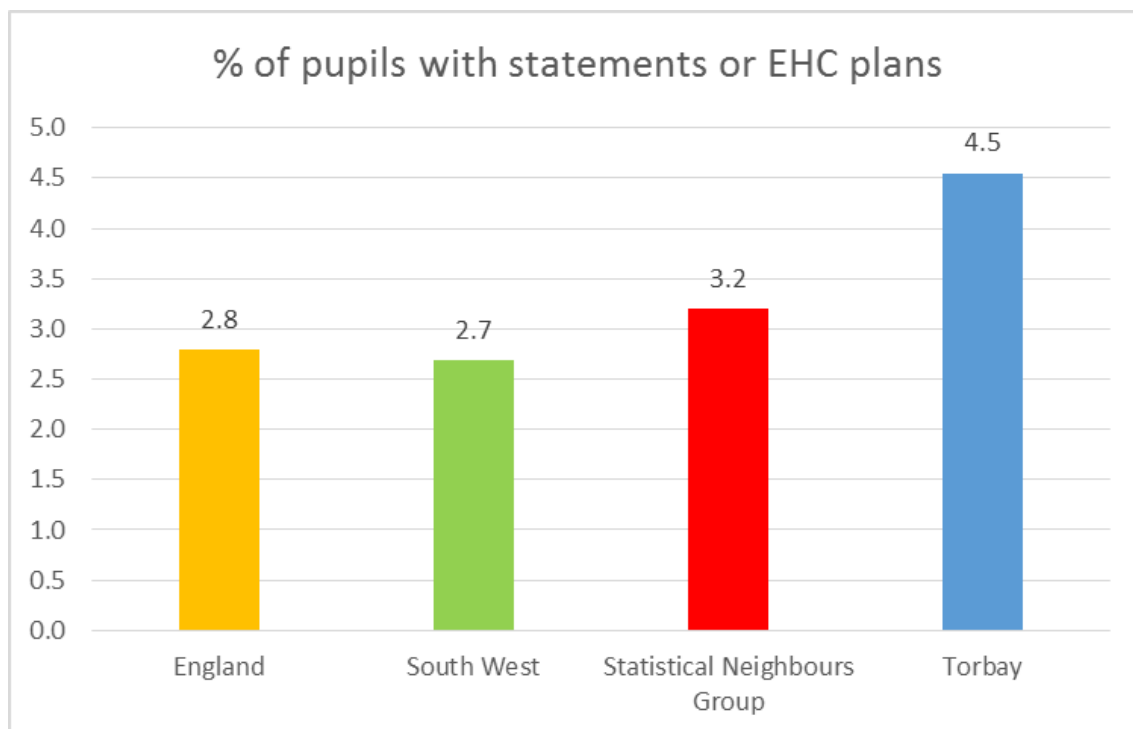
It is recognised that the proposals have a significant impact on school budgets. The proposals seek to ensure that children and young people continue to have access to the range of provisions that are required to meet their needs, whilst also working to support a mainstream offer.

To minimise the risks, the proposals do not set out to address the overall budget position and historic deficit in one step or one financial year. School Forum will need to continue to work towards creating a balanced budget position.

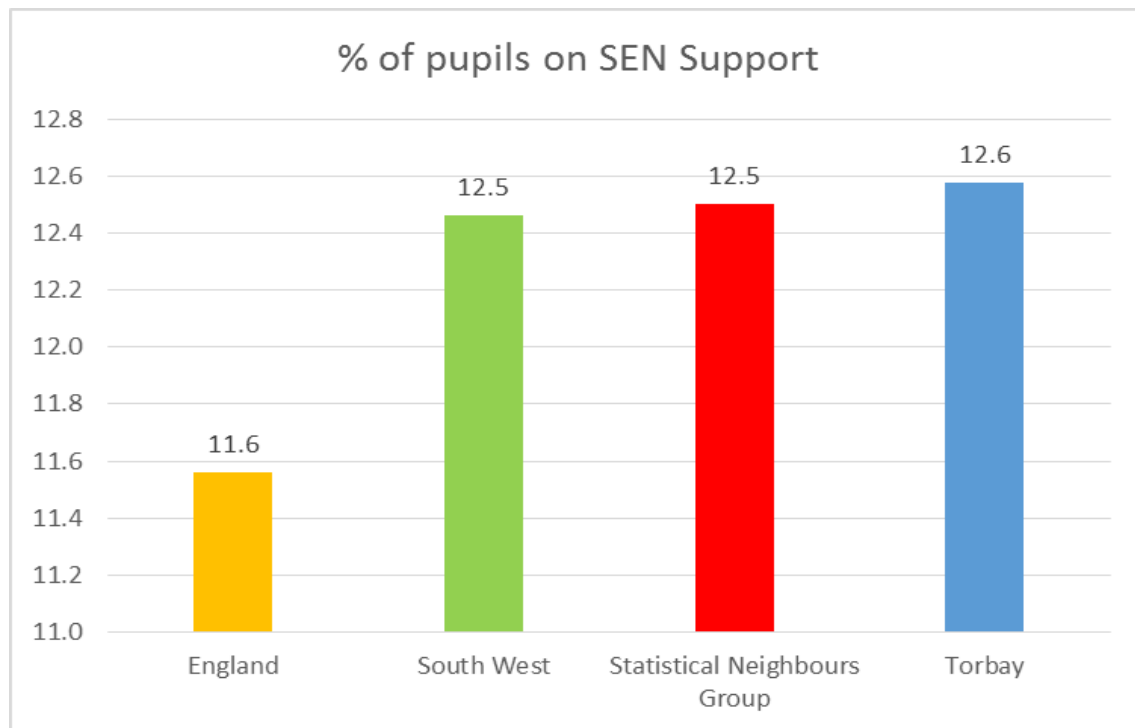
Please ensure that you provide your consultation response by 21st November 2018

Appendix 1 – Demand Data

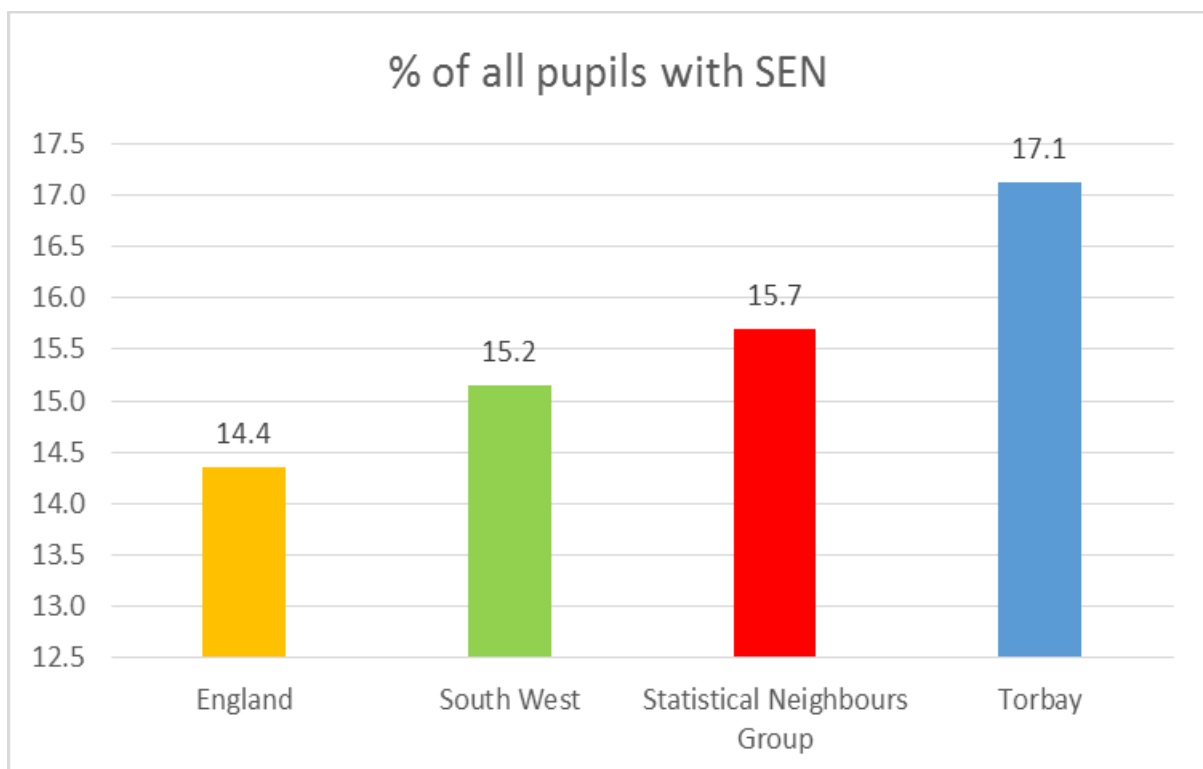
As reported to School Forum and the Higher Needs Recovery Group. The Local Area continues to have a high number of children and young people requiring an Education, Health and Care Plan. This remains both above national, south west and statistical neighbour groups.



In addition to the high levels of demand of EHC plans, there is also a significant number of children and young people identified as requiring SEN support. Whilst more in line with statistical neighbours for this category of support, it should not be looked at in isolation.



When taking as a whole, this means that Torbay is 3% above national comparators for its SEN population and 1.4% above statistical neighbours.

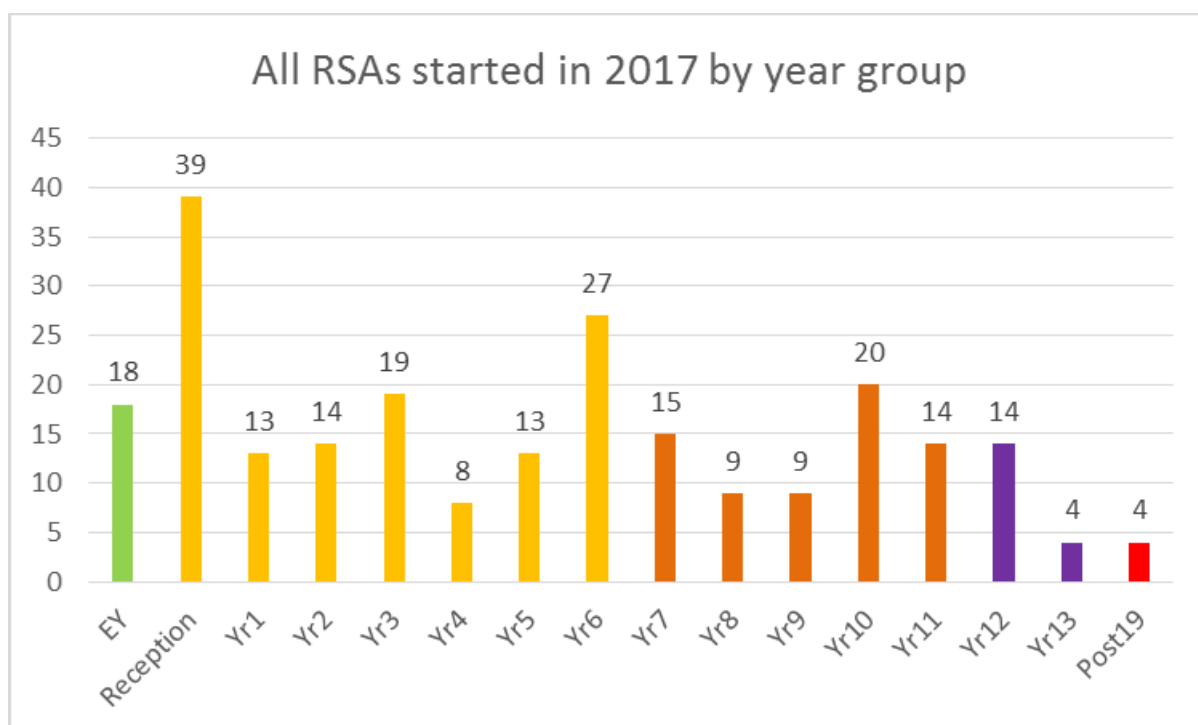


The Local Area has not seen a reduction in the number of requests for statutory assessment. The following table demonstrates the number of RSA's received, assessment started and refusals.

	Sept 13- Aug 14	Sept 14 - Aug 15	Sept 15 - Aug 16	Sept 16 - Aug 17	Sept 17 - April 18*
RSAs	133	161	176	216	184
Assessment started	115 (86%)	140 (87%)	132 (76%)	176 (81%)	15
Refused to assess	18 (14%)	21 (13%)	42 (24%)	40 (19%)	0
Assessment completed		136	130	170	74
Other		4	4	6	2

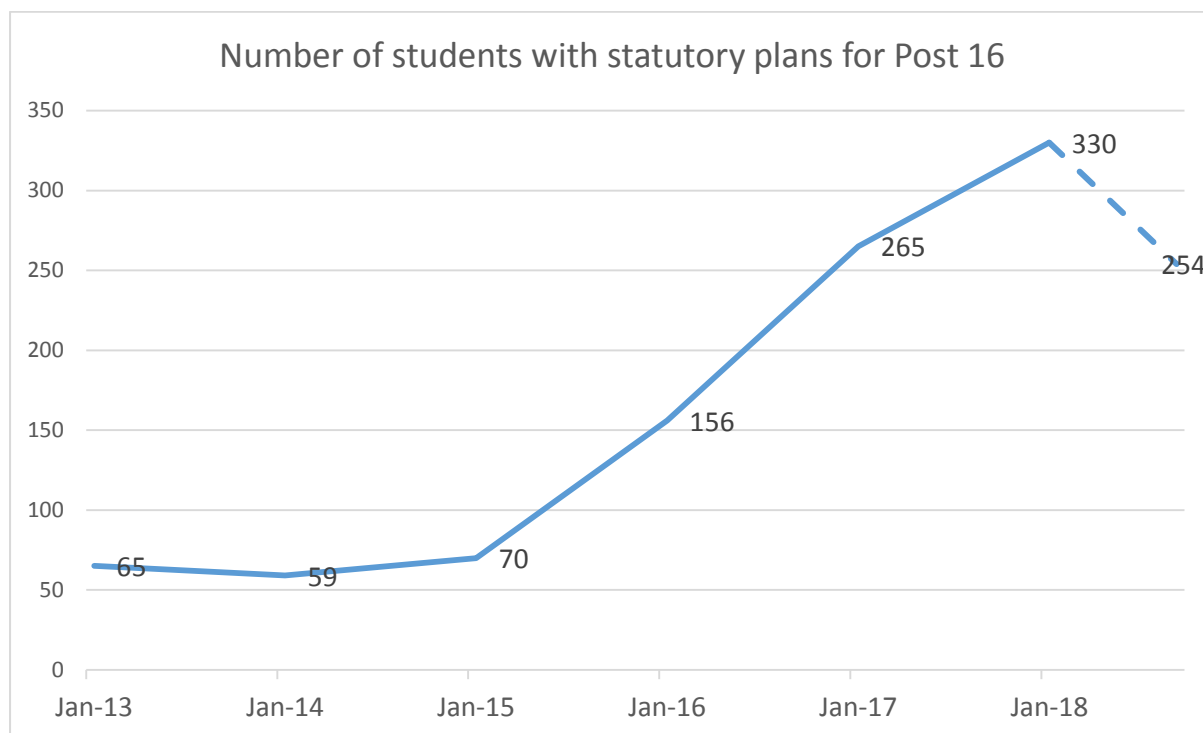
*This is not full the academic year and demonstrates 8 months of the year.

The Local Area has conducted work to understand the when a request is most likely to occur by breaking down the RSA requests for 2017. The Higher Needs Recovery Group recognise that requests are most likely to be submitted at points of transition. This needs to be a focus for any support work directed at schools.



The area of significant interest, following the introduction of the code in 2014 is the number of post 16 pupils. The chart below shows the number of statutory plans since the introduction of the reforms. Over the summer period Local Authority officers have worked

to review the post 16 plans. The dotted trajectory line shows the plans that have been ceased over this period through due process.



The Schools Budget position for the last four years is shown

Appendix 2 – Overall Financial Position Paper

in the following table:

	2014/2015	2015/2016	2016/2017	2017/2018
	£000	£000	£000	£000
Year end position – Over/(under) spend	(180)	(130)	835	983
Cumulative		(310)	525	1,508

The main reasons for the overspends on High Needs in the last two years are:

- EHCP/Statemented Pupils (Mainstream) - £178k (2016/2017) and £292k (2017/2018)
- Independent Special Schools - £87k and £150k respectively
- Special Schools - £274k and £882k respectively
- Other statementing costs - £163k and £152k respectively

The above reasons are aligned with the national picture of increased costs.

Special School placements have increased significantly over the last two years, with numbers exceeding commissioned places and the relative mix of pupils becoming more expensive i.e. fewer 'lower end' MLD placements.

Mainstream school top ups (element 3) increased budget is shown in the table below:

Year	EHCP Pupils FTE	Top Up	Per FTE	Increase							
				Yr on Yr FTE		Cum FTE		Yr on Yr FTE		Cum £/ FTE	
		£000	£	FTE	%	FTE	%	Per FTE	%	£	%
2014/15	327.83	609	1857.67								
2015/16	325.00	733	2255.38	-2.83	- 0.9	-2.83	- 0.9	397.71	21.4	397.71	21.4
2016/17	334.00	926	2772.46	9.00	2.8	6.17	1.9	517.07	22.9	914.78	49.2
2017/18	353.17	1234	3494.07	19.17	5.7	25.34	7.7	721.61	26.0	1636.40	88.1
2018/19	358.83	1508	4202.55	5.66	1.6	31.00	9.5	708.48	20.3	2344.88	126.2

This shows that the numbers of pupils with EHCPs has increased by about 10% over the four years but the cost per pupil has more than doubled.

The following are some key comparator statistics that have been obtained by using information from the Department for Education (DfE)

Torbay figures in bold	National (150)	Statistical (11)	South West (15)	England Average
High Needs Funding per pupil (Schools Block) - £1015.77	27 th	2 nd	1 st	£822.98
High Needs Funding per pupil (pupils in special and academies) £31,433	149 th	11 th		£49,066
Total DSG per pupil (schools block) £5883.00	77 th	6 th	2 nd	£6012.67
Top up per capita (0-19years) (total excluding place funding) £311		2 nd	3 rd	£271

Torbay's High Needs block funding per schools' pupil reflects the significantly high historic level of spending on pupils, as the National Funding Formula (NFF) uses 50% of historic spend/budget. Torbay's proportion of pupils in special school and academy places is significantly higher (3.2%) when compared with all the other comparator authorities.

Whilst recognising the significant overall cost to Torbay of these pupils, it is worth understanding how much is spent per pupil with an EHC Plan/ Statement. The 2017/2018 figures relating top up funding to overall EHCP numbers can be broken down as follows:

	Torbay	England	South West	Statistical
Total EHCPs (per capita 2- 18 years)	47.6	25.9	25.5	29.9
Top up funding (per capital 2 – 18 years)				
Maintained schools, academies, free schools and colleges	235.9	216.8	211.8	199.5
Non maintained and independent schools and colleges	114.1	91.5	101.1	82.2
Total top up per capita	350.0	308.3	312.9	281.7
Total budget /spend per EHCP	£7,459	£11,929	£12,263	£9,418

This shows that, in overall terms, Torbay spends significantly less on top-up funding per EHCP than the average across England, South West Region and its statistical neighbours.

This differential is very interesting, given the significant increase in Torbay's top up costs, particularly in relation to mainstream pupils.

Indicative High Needs funding for 2019/2020 compared with the 2017/2018 baseline shows that Torbay's increase will be near the base at 1% compared with a national average of 3.2%, the third lowest in the statistical comparator group (Isle of Wight and Redcar & Cleveland) lower. The highest increase in this group is 5.8% for Southend –on –Sea. Within the South West Region, most authorities' increases would be between 1% and 2% but Cornwall's would be 6.4%.

Identify the potential positive and negative impacts on specific groups The Equality Impact Assessment will be updated following consultation				
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	<p>The proposals set out the allocation of growth funds to schools at the rate of £841k for 2019/2020.</p> <p>The proposals set out a number of measures that ensures that identified children and young people can receive support from specialist provisions where thresholds have been met.</p> <p>The proposals set out a mechanism of support for parents and carers of children at risk of being or have been permanently excluded. This proposal will help parents and young people to understand their rights.</p>	<p>The proposals set out a number of recommendations that will see a growth in funding to schools being reduced from £2.2million to £841k for 2019/2020. Schools will need to manage the smaller amounts of growth funds being allocated and ensure that this is targeted at those children requiring the most help and support. For some schools this will result in the reduction of services provided across the whole school population.</p>	

People with caring Responsibilities		The proposals will result in schools reviewing their allocated budgets. Each school will need to take decisions and there is the potential for wider services such as family support to be reduced. However this remains unknown as each school will determine the use of their budget allocation. The Schools will determine whether there is a need to undertake specific consultation on the use of their budget allocation.	
People with a disability		The proposals set out a reduction of funding to Special Schools against the School Forum decision in 2018. The decision to limit the allocation of additional money to Special Schools to that listed in the EFSA regulations will remove £103k from the overall special schools budget. Special Schools will need to manage this reduction to ensure that it has the least amount of impact on children and young people. The Schools will determine whether there is a need to undertake specific consultation on the use of their budget allocation	

Women or men			There should be no differentiation between the impact of the proposals on women and men.
People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There should be no differentiation between the impact of the proposals on black or minority ethnic backgrounds.
Religion or belief (including lack of belief)			There should be no differentiation between the impact of the proposals in relation to religion or belief.
People who are lesbian, gay or bisexual			There should be no differentiation between the impact of the proposals for people who are lesbian, gay or bisexual.
People who are transgendered	For children and young people the proposals seek to provide specialist provision where required.		
People who are in a marriage or civil partnership			There should be no differentiation between the impact of the proposals on people who are in a marriage or civil partnership.
Women who are pregnant / on maternity leave			There should be no differentiation between the impact of the proposals on women who are pregnant/on maternity leave.

<p>Socio-economic impacts (Including impact on child poverty issues and deprivation)</p>	<p>The proposals will ensure that funding can be used to provide support to children and young people requiring a high cost provision or specialist service. The virement of funds from a central (universal) fund to a specialist fund will support access to these provisions.</p>	<p>The proposals will seek to ensure best value for money from all providers delivering specialist provisions. This may result in a change of approach to the individual care package being provided.</p> <p>The proposals will reduce the amount of funds available to schools in the central (universal) block, this funding provides a range of services to children, young people and their families and is often targeted at deprivation. Schools in considering the limited growth funds being received will need to ensure that money is targeted to have the least impact on interventions and support. Schools will continue to receive pupil premium funding for identified pupils and these funds will continue to be targeted at deprivation.</p>	
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	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)	<p>The proposals will ensure that funding can be used to provide support to children and young people requiring a specialist provision including mental health and physical conditions.</p> <p>The proposals do not impact on the wider contribution of health visitors and schools nurses that work directly with schools. This service will remain.</p>	<p>The proposals will reduce the amount of funds available to schools in the central (universal) block, this funding provides a range of services to children, young people and their families and can be used to provide preventative services. Schools in considering the limited growth funds being received will need to ensure that money is targeted to have the least impact on interventions and support.</p>	
16	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	The proposals will reduce the schools ability to offer early help services and preventative services. The result of a reduction could lead to increased demand on statutory services for children in need of help of protection.		
17	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	The proposals will reduce the schools ability to offer early help services and preventative services. The result of a reduction could lead to increased demand on statutory services and a reduced contribution towards targeted planning.		