Dedicated Schools Grant and SEND

Audit Committee - JULY 2018

1. Purpose

1.1. This briefing note provides an update to Audit Committee in relation to a proposed piece of work the Committee may undertake under the following brief;

The aim of the Audit Committee Review is to look at the overall resource management process of SEND provision in the Borough and the context in which it operates. It will not cover service related issues but will consider:

1. The technical and financial processes involved in the management and monitoring of the SEND budget within the Council.

2. The financial implications of the main cost pressures on the supply market and on public sector providers. The review will also need take advice on the sources of the increasing scale and scope of the demand for services to understand the projections of the likely future developments and consequent resource pressures as well as considering the sufficiency of supply of places.

3. The revenue sources and their constraints, notably the funding framework created by the Government's post-2011/12 stand-still on central government support for the service and the specific funding issues within London. It will also review the response of other London Boroughs to similar pressures.

4. The financial implications and risks involved in the possible solutions to the funding shortfalls. This would include the financial effects of any public sector interventions and changes in the in-house service provision, as well as other proposals being considered for the sector.

1.2 This note sets out the history and forecast relating to the dedicated schools grant (DSG), especially the shifting picture and impact on SEND and early years, as well as future funding trends,

2. Background

2.1. The ability to plan service changes, and the lead in time to those changes, is significantly affected by uncertainty about national policy and the predictability of DSG regulation changes. These have been subject to considerable change in recent years. For example, the potential for large scale academisation would initially have entailed an immediate loss of around £2m DSG, whilst now we are forecasting a relatively low academisation rate for the present. Another example is that in May 2017, the NFF (national funding formula) model entailed a considerable reduction in school and LA funding in 2018-19. Modelling the impact of Early Years DSG change has been more predictable, although the impact has still been significant. There is still a degree of risk in predicting how funding allocations will be affected by the level of take up and the importance of the January census count.

2.2. In the autumn 2017, the NFF was introduced without the reductions modelled in May, but with a small funding increase and with 2 transition years in which a number of LA discretions continued. The forecast for 2020-21 now assumes smaller reductions in income for schools than initially modelled by the DfE as a result of assumptions about continued levels of funding protection. However, this remains an assumption, as does the lower rate of academisation of schools.

3. Dedicated schools grant

2018/19 Hackney DSG

3.1. As at April 2018, the 2018/19 DSG allocation to Hackney is as shown in Table 1. This excludes around £62m paid by the DfE directly to academies.

Table 1

Block	Value (£)
Schools Block	139,385,000
Central Schools Block	2,032,000
High Needs Block	41,286,000
Early Years Block (see note in para 3.2 below)	26,275,000
Total	208,978,000

3.2. The Early Years allocation is provisional pending the 2018 census data on the actual number of places taken up. The new funding arrangement for early years means that the retrospective adjustment of funding allocations (based on the following January census) is likely to create some uncertainty about the amount that can be allocated to central support from the service area.

DSG background

3.3. The DSG system was introduced in 2006-07. This was a pivotal point in determining how much local authorities would receive in future years. On its introduction, the then Labour Government took the decision to peg 2006-07 DSG allocations to what a local authority had spent per pupil in 2005-06. 2005-06 can therefore be considered the baseline year for the current funding system in many respects, with differences in funding levels across local authorities at that point carried forward from 2006-07 onwards.

Fair funding formula - schools and high needs

3.4. After much delay and a long period of consultation, the Secretary of State for education announced in autumn 2017 that the national fairer funding formula (NFF) for schools would be in place from April 2018. Shortly after this announcement, local authorities received information on the DSG allocations for 2018/19 and 2019/20. These years have been termed 'soft' NFF years as some LA discretions continue. What will happen in 2020-2021 is uncertain at this stage. In order to plan, however, we are assuming that after having risen by 0.5% in 2018-19 and 2019-20, the school funding level will remain at the same cash-level per pupil it will reach in 2019-20. This is our mid-case scenario and what is included in Appendix A. We also model separately a possible reduction of -1.5% as a worst case because this has been the protection level to which per-pupil reductions have been restricted in the past. This is achieved through the funding mechanism known as the MFG (minimum funding guarantee for schools).

3.5. The best case assumption for 2020-2021 may seem too positive given that the scale of potential loss to Hackney schools (as one of the highest funded authorities for schools) could be much more than this. However, the autumn 2017 announcement was a considerable adjustment to earlier school funding models put forward by the DfE, which was in part a response to the political fallout at the prospect of actual cuts in any schools budget. We think this approach may continue for the present.

3.6. The further DSG adjustments announced in autumn 2017 also included a small uplift in High Needs Block DSG. As this came at the same time as the introduction of a High Needs national funding formula it has been difficult to calculate, but the increase was of the order of around £400k. Overall this meant that no local authority area would see reductions in high needs funding (High Needs Block) as a result of the formula; and no local authority area would see reductions to per-pupil funding in the mainstream schools budget (Schools Block). Of course this doesn't allow for real term cost pressures on schools over time or on the High Needs Block. Further detail on the High Needs DSG is given below.

Fair funding formula - early years

3.7. In April 2017, the government launched the new early years funding formula. This new formula meant that local authorities had to delegate more and retain less funding. This extra delegation equated to approximately £800k of funding which previously contributed towards local authority services. HLT implemented a number of savings initiatives as a consequence of this change.

Central Schools Block (Funding the LA uses)

3.8. The Central Schools Block DSG (£2m) is essentially what used to be 'retained' DSG that previously was taken off the DSG Schools Block with the agreement of Schools Forum (£1.5m), combined with the ESG (education services grant) (£0.5m) that was previously paid to the Council to cover some specific school duties. This may reduce in future as this has been stated by the DfE, but we are currently assuming it will be at current levels to 2020-2021.

The future of DSG

3.9. There has been no commitment regarding funding in 2020/21 for schools and high needs. The Secretary of State announcement suggested that there will be an update on this in a future government budget review, with no further detail on which review and when it should be expected.

3.10. A number of authorities such as Hackney have been highlighting cost pressures in schools and significant cost pressures in high needs. The formula, whilst more favourable than some earlier suggested models, did not provide significant additional funding to address any of these concerns.

3.11. There is no suggestion of any further changes to the early years funding formula.

DSG 2017/18 Actual Income and 2018/19 – 2020/21 Forecast

3.12. As at April 2018, the forecast DSG allocation to Hackney is as follows:

Table 2

Block	2017/18 Actual Income Received £	2018/19 Allocation £	2019/20 Expected Allocation £	2020/21 Forecast Allocation £
Schools Block	142,641,683	139,385,000	140,081,925	140,081,925
Central Schools Block	NA	2,032,000	2,000,000	2,000,000
High Needs Block	40,747,194	41,286,000	41,698,860	41,698,860
Early Years Block	27,004,976	26,275,000*	26,275,000*	26,275,000*
Total	210,393,853	208,978,000	210,055,785	210,055,785

**HLT expects that the 18/19 allocation for Early Years will be adjusted for increased funding for the extended free childcare.*

3.13. The current HLT forecast is that the 2020/21 allocation will be very similar to the 2019/20 allocation.

3.14. The DFE have confirmed a 0.5% increase in the per-pupil funding within the Schools Block and a 1% increase in the High Needs Block for 2019/20.

3.15. Whilst Table 2 shows a consistent funding allocation to Hackney over the next three years, there are changes to the terms of the DSG which means that the Council can retain less for central services.

These policy changes where local authorities retain less has happened in the past and is expected to continue to happen in the future.

3.16. The following table distinguishes between HLT and non-HLT impact regarding DSG funding changes, DSG regulation changes, and Council funding changes for education. The impact of cost pressures is shown in Table 4 below.

Table 3

Impact	2017/18 Approx £	2018/19 £	2019/20 Forecast £	2020/21 Forecast £
On HLT - DSG	(1,000,000)	(400,000)	300,000	(1,300,000)
On HLT - CRF	(600,000)	(600,000)	(600,000)	(600,000)
Total on local authority	(1,600,000)	(1,000,000)	(300,000)	(1,900,000)
Schools & Settings (excl academies)	900,000	(1,000,000)	800,000	1,300,000
Total Impact (excl academies)	(700,000)	(2,000,000)	500,000	(600,000)
	The HLT/Council impact is mainly due to less Schools Block retained DSG and less Early Years retained DSG. Impact in schools/settings is mainly due to the combination of a significant reduction in maintained school roll (-£2m) and a very significant increase in funding for EY settings as a result of higher two year old numbers and the new free childcare entitlement (total £3m).	The HLT/Council impact is mainly due to less Early Years retained DSG and reduced de-delegation. It also assumes a low level of academy conversion. Impact in schools/settings is mainly due to a significant reduction in maintained school roll	The HLT/Council impact is mainly due to increased high needs block funding, offset by an expected reduction due to academy conversions. Impact in schools/settings is mainly due to an increase in schools block DSG funding	The HLT/Council impact is mainly due to there no longer being a mechanism for schools to de-delegate DSG. The value of which is expected to be £1.3m in 2019/20, which will no longer be de-delegated in 2020/21. The school impact assumes same level of funding as 2019-20, i.e. we have not included a -1.5% reduction on schools (which may come in later years).

<u>SEND cost pressures for those services which are designated as DSG and Non-DSG</u>

3.17. The following table provides information on 2017/18 SEND cost pressures and their impact on HLT/Council reserves. The table also provides a forecast impact for the years 2018/19 – 2020/21.

Table 4

Item	2017/18 £	2018/19 Forecast £	2019/20 Forecast £	2020/21 Forecast £
*SEND DSG (provision costs) expenditure in excess of budgets (using 17/18 as a current baseline)	(6,100,000)	(6,100,000)	(6,100,000)	(6,100,000)
SEND Transport Non DSG	(1,300,000)	(1,300,000)	(1,300,000)	(1,300,000)
* Forecast Escalation in Provision Costs (excludes transport) 2018/19 & beyond		(1,500,000)	(2,500,000)	(3,000,000)
Forecast Savings in Provision Costs	0	300,000	TBA	TBA
Savings made and 'banked' elsewhere in HLT	3,800,000	3,800,000	3,800,000	3,800,000
'One-off' additional savings/extra income received	2,500,000	?	?	?
** Net impact of SEND pressures to be funded from reserves	(1,100,000)	(4,800,000)	(6,100,000)	(6,600,000)

** Note, this escalation on the position at the end of 2017-18 is based on the past rate of increase of around £1.5m per annum, beginning to decrease over time in line with recent population trends.*
** Note that the impact on reserves is expected to be greater, mainly as a result of SEND Transport which is also experiencing significant cost pressures. Not included here as not DSG.*

3.18. Table 3 above shows the current best estimate on the forecast income reductions affecting education services.

3.19. Table 4 above is an estimation of how the current cost pressure in SEND provision (DSG) and SEND Transport Assistance could escalate based on current trends. This is to be modelled further on the most recent population estimates, particularly as these show a slowing in the rate of growth of Hackney's 0-19 population. For these purposes, the transport budget cost pressure is shown to be similar over the next few years. Savings made and banked against the cost pressure are also shown at current levels for the purposes of forecast at this stage. The 2017-18 financial year is unusual in the extent of one off savings (e.g. unused contingency) or additional income received (e.g. a retrospective and favourable 3 and 4 year old funding adjustment, which are not likely to be repeated.

3.20. The reasons for the escalating cost pressure in the SEND provision budgets are a mix of factors beyond the Council's control. These are common across London local authorities and arise from the scale and pace of growth in the numbers of children with EHCP plans. These factors include:

- the rise in the borough resident population in recent years
- the increase in the complexity and severity of need being diagnosed and assessed

- the increased expectations of parents arising from the Children & Families Act reforms of SEND and the legal balance in favour of assessment over professional judgement
- the increased costs of provision and especially out-borough independent provision
- extension of the age range for EHCP's from 5-19 to 0-25
- a view that mainstream schools should do more to be inclusive and meet the cost of support in school.

The impact of these factors first started to become apparent in 2014-15 and became evident in 2015-16 when actions were drawn up to tackle the cost pressure. The number of plans awarded in Hackney rose by 43% between 2012 and 2017 but, in effect, there has been no corresponding increase in High Needs Block DSG.

The cost pressure of £6.1m is a measure of the increase in spend on SEND provision budgets between 2014-15 budgets and now, and the fact there has been no additional funding. In table 4 above , this cost pressure is being offset by £3.8m of savings in other activity. The £6.1m cost pressure excludes the cost pressure in the associated SEND transport budget, which is shown separately above as it is not DSG funded.

3.21. In addition to making savings in other activities, a variety of measures have been taken to control and reduce the escalating cost pressure. The most significant long term is the plan to increase in-borough provision of places for ASD and SEMH places, but this will take time to establish and will only receive capital funding with no new revenue for the new places created. The new approach to funding pupils with plans in mainstream provision is in discussion and, although based on early intervention, appears very difficult to achieve from a parents perspective. Efficiencies and value for money approaches like variations to existing top up rates and rates for special schools are also being challenged by schools and parents. There have been SEND support service reductions and there is a continuous attempt to promote inclusive practice and manage the costs of independent providers.

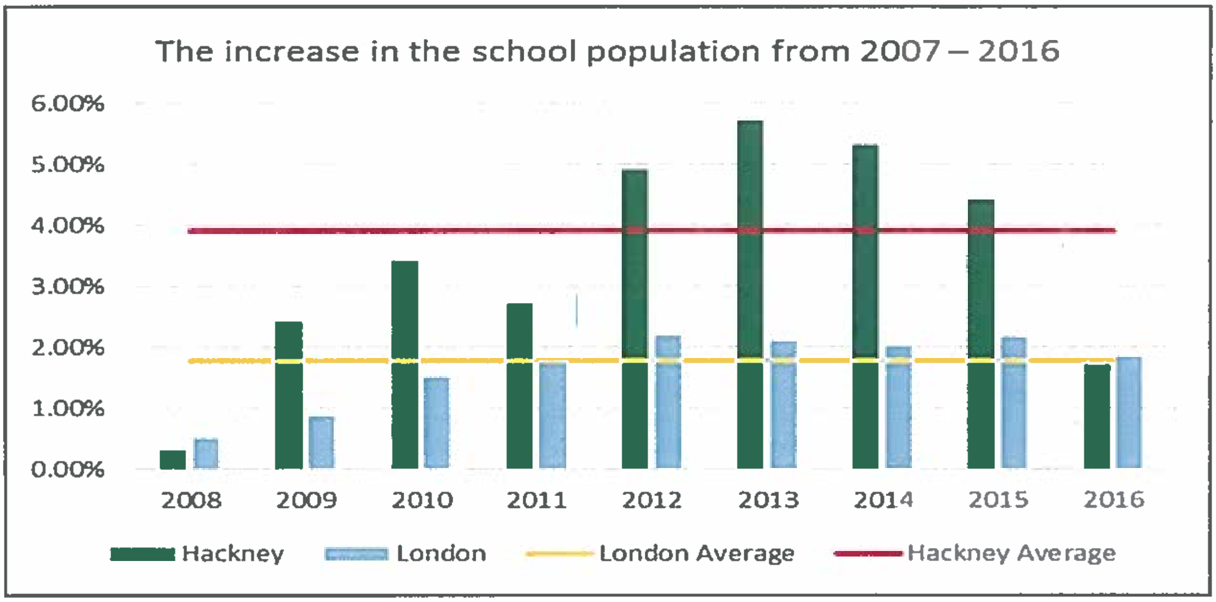
3.22. In addition the Council has lobbied government and ministers, and senior officers are pressing the DfE to come up with increased funding and greater flexibility for authorities within the overall DSG for managing this issue.

Appendix 1

High Needs Population and Spend – Data Booklet

Population Increase

The average increase in the London school population from 2007 – 2016 was 1.76%, whereas the Hackney school population increased over the same period by 3.9%. High Needs funding has remained fixed at historic levels since 2011-12.

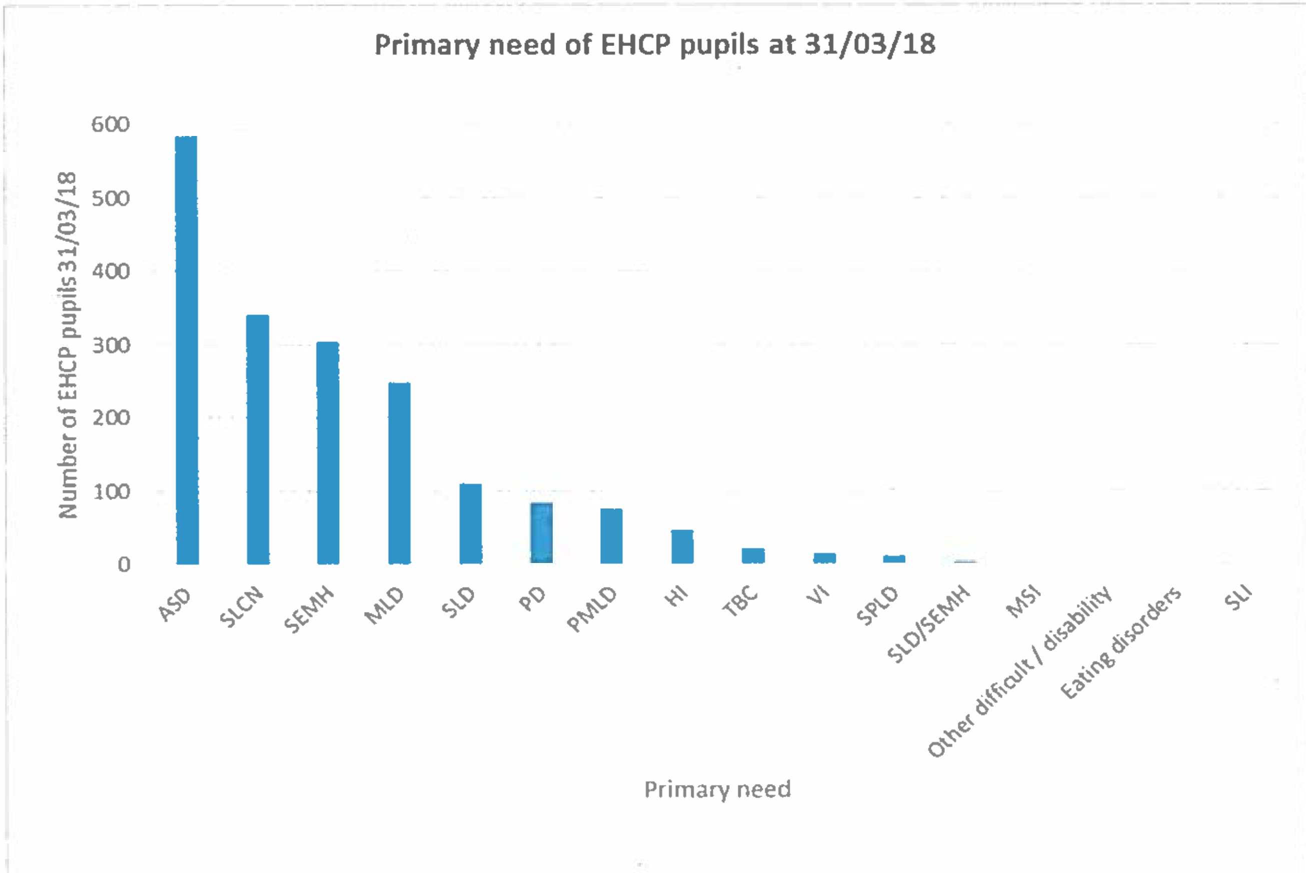


Number of Plans

Age range Breakdown SEN CYP statements / plans	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	31/03/2018
Under age 5	83	76	83	95	95	121	139	71	126	137	149
Aged 5 to 10	507	514	516	535	551	570	617	611	676	706	732
Aged 11 to 15	524	564	576	582	615	617	635	667	680	677	654
Aged 16 to 19	70	62	61	72	88	91	138	252	251	268	270
Aged 20 to 25								34	42	45	45
TOTAL	1,184	1,216	1,236	1,284	1,349	1,399	1,529	1,635	1,775	1,833	1,850

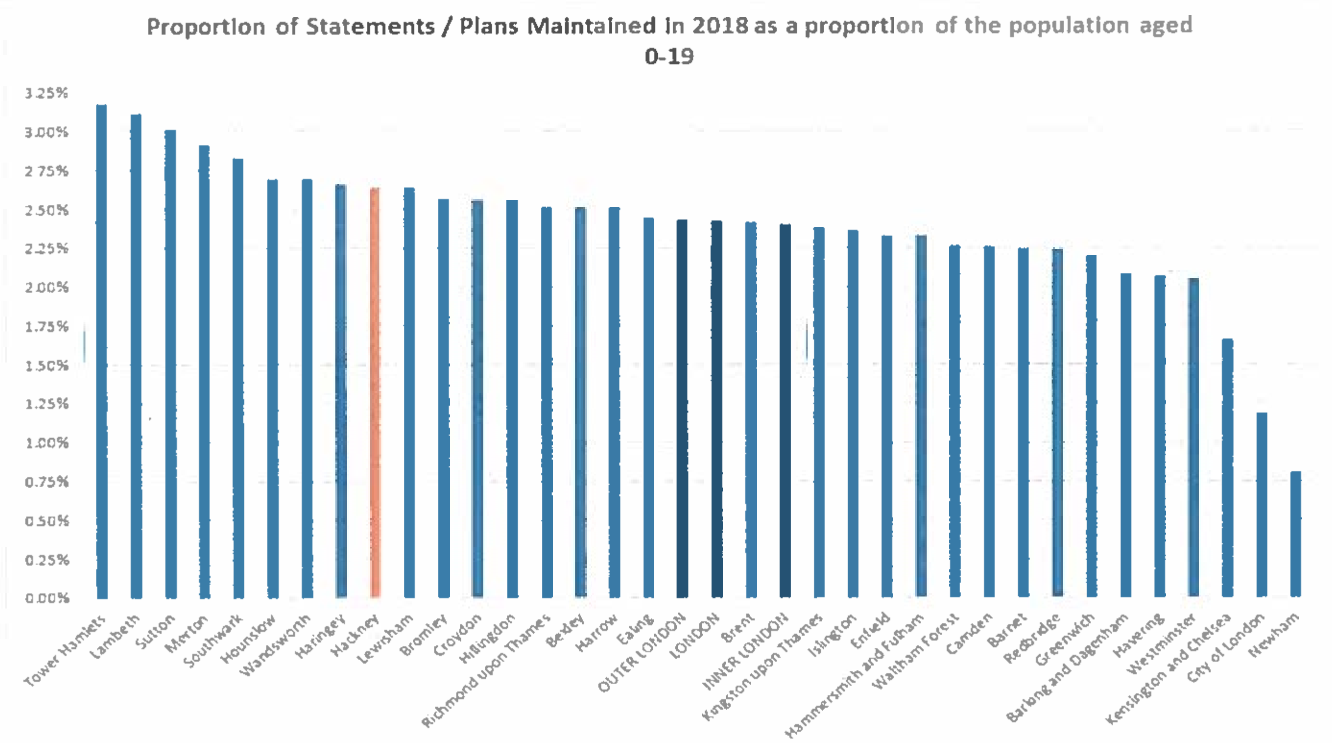
Primary type of needs

Primary need	No. of active pupils 31-03-18
ASD	585
SLCN	340
SEMH	304
MLD	249
SLD	111
PD	84
PMLD	75
HI	46
TBC	21
VI	15
SPLD	11
SLD/SEMH	3
MSI	2
Other difficult / disability	2
Eating disorders	1
SLI	1
Grand Total	**1850**



The Proportion of the Resident Population with an EHC Plan

The following graph compares the number of statements/Plans in Hackney as a percentage of the 0 to 19 population to that of other boroughs and the inner and London averages.

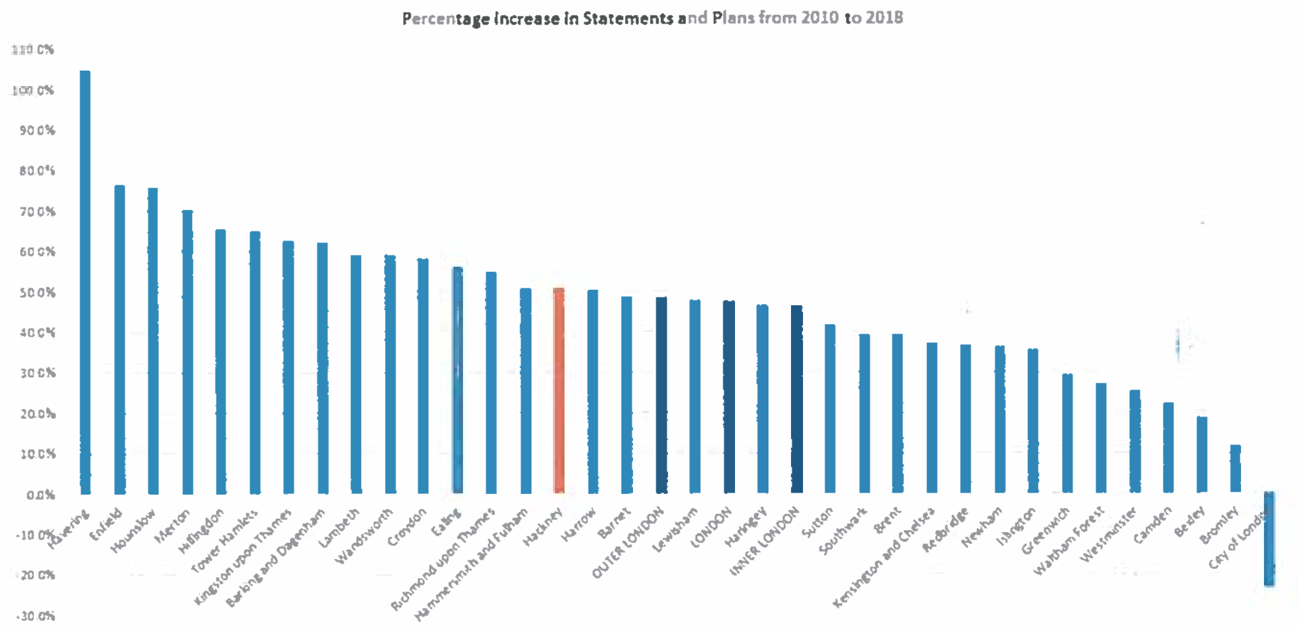


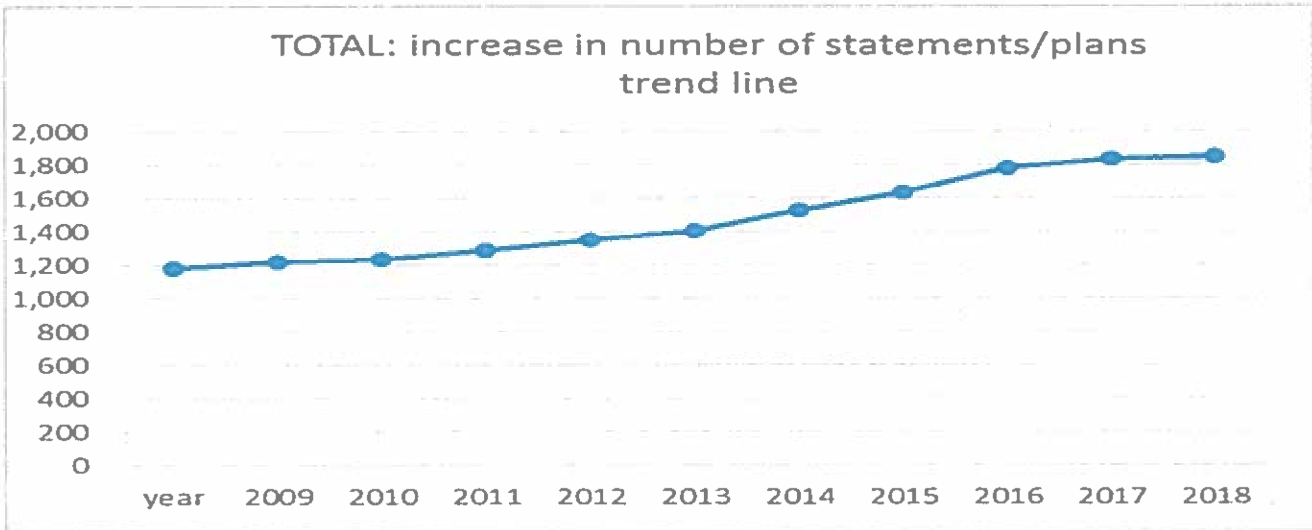
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
% of Hackney population aged 0-19 with Statements / Plans	1.93%	1.97%	1.98%	2.03%	2.09%	2.14%	2.29%	2.35%	2.52%	2.58%

	2010	2011	2012	2013	2014	2015	2016	2017	2018
CYP with a Statement / Plan issued for the first time in the preceding calendar year	174	174	178	190	214	205	197	241	222

EHCP Trend

Compared with our statistical neighbours (Haringey, Hammersmith & Fulham, Brent, Lambeth, Lewisham and Islington) Hackney has seen a 50% increase from 2010 to 2018. The increase in the number of statements issued in Hackney since 2010 whilst greater than the inner-London average, is not a significant outlier





Average increase over different time periods

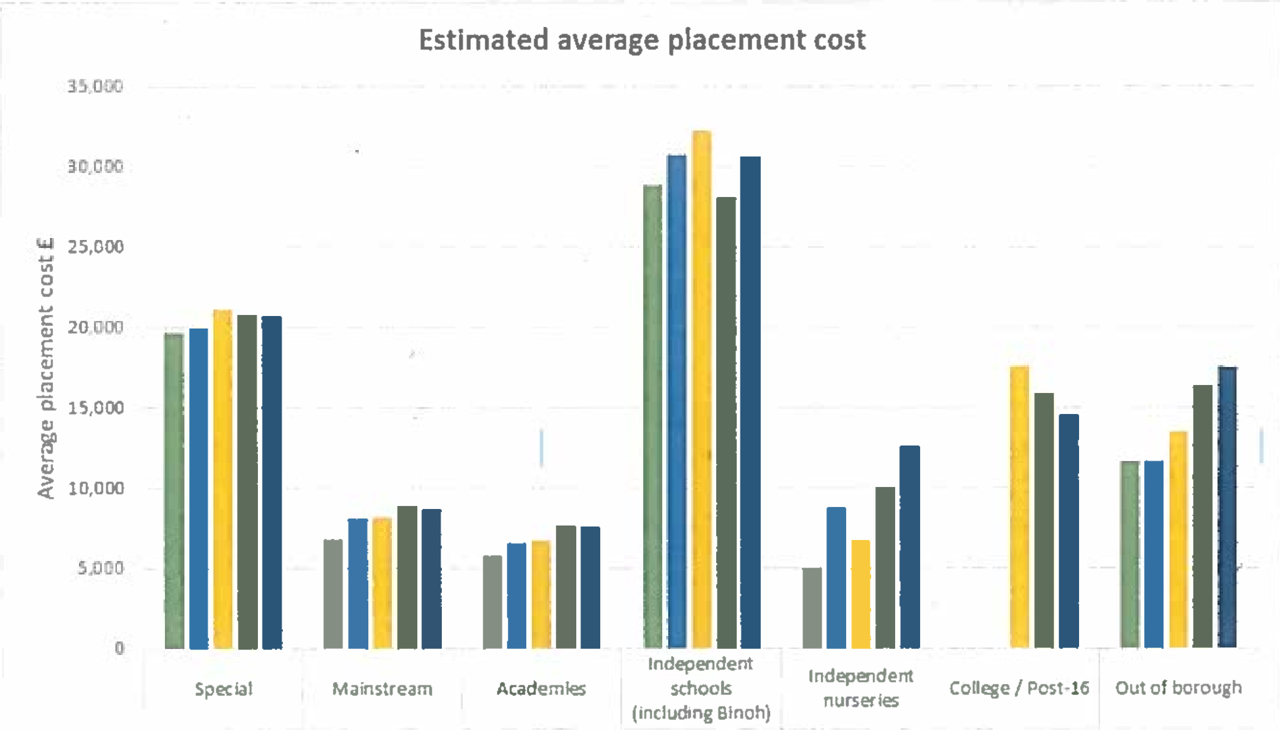
	2009 to 2018	2009 to 2012	2013 to 2018
Under age 5	65.1%	14.5%	44.2%
Aged 5 to 10	39.3%	5.5%	28.1%
Aged 11 to 15	29.2%	11.1%	10.1%
Aged 16 to 19	282.9%	2.9%	204.5%
Aged 20 to 25	-	-	-
TOTAL	**54.8%**	**8.4%**	**35.9%**
Average annual increase		**2.8%**	**7.2%**

The Pattern of Spending

The table below shows the breakdown and analysis of spend across education provisions for the last three years.

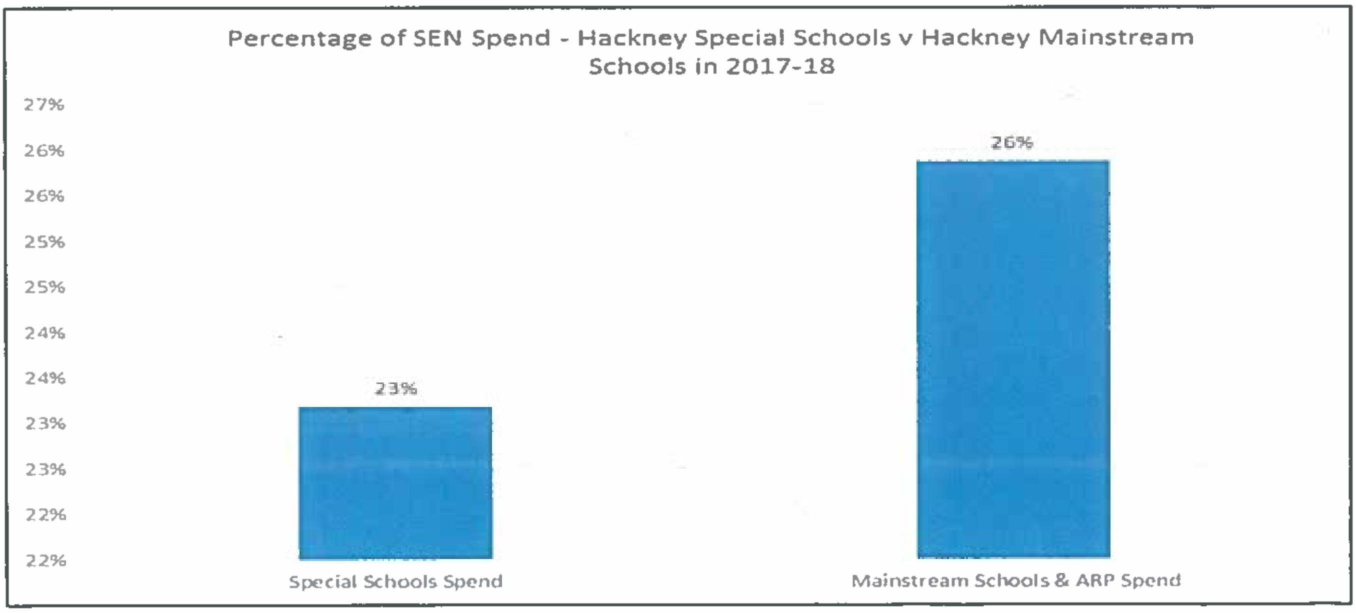
		2014-15 £	2015-16 £	2016-17 £	2017-18 £
Independent & Non Maintained SEN	Budget	5,012,500	5,409,000	5,390,000	5,390,000
	Spend	5,795,978	7,223,701	8,332,306	8,691,782
Independent Nurseries - SEN Statement Funding	Budget	190,000	120,000	120,000	120,000
	Spend	148,084	202,558	200,353	322,464
Academies - SEN Statement Funding	Budget	1,690,000	1,690,000	1,690,000	1,690,000
	Spend	1,613,874	1,315,148	1,643,581	1,751,147
Orthodox Jewish - SEN Statement Funding	Budget	900,000	900,000	900,000	900,000
	Spend	1,194,634	1,209,565	1,167,592	217,910
LBH Mainstream & ARP SEN	Budget	4,789,266	4,950,000	4,931,000	5,461,900
	Spend	5,416,562	5,150,924	4,733,625	5,377,007
DSG - High Needs (Delegated Special Schools)	Budget	5,138,668	4,508,974	4,508,970	4,508,974
	Spend	4,865,097	5,538,946	5,703,438	6,673,560
College/FE 16+ SEN	Budget	2,656,465	2,500,000	2,500,000	2,500,000
	Spend	2,406,080	2,214,494	2,314,494	2,402,005
Out borough LA SEN	Budget	2,050,000	2,050,000	2,050,000	2,050,000
	Spend	2,255,104	2,695,457	2,845,457	3,366,283
Total Budget		**22,426,899**	**22,127,974**	**22,089,970**	**22,620,874**
Total Spend		**23,695,413**	**25,550,793**	**26,940,846**	**28,802,159**
Budget deficit		**1,268,514**	**3,422,819**	**4,850,876**	**6,181,285**

The change in average cost across the different types of provisions.



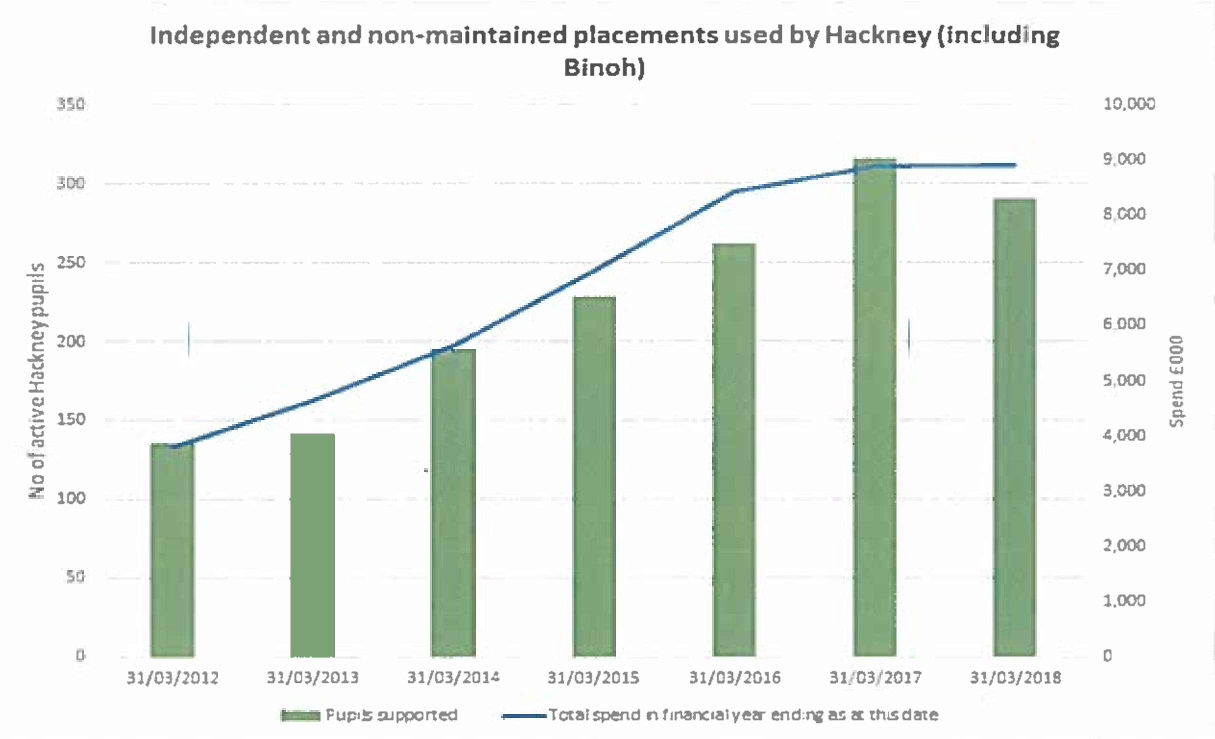
	Special	Mainstream	Academies	Independent schools (including Binoh)	Independent nurseries	College / Post-16	Out of borough
2013-14	19,706	6,825	5,752	28,857	5,044		11,651
2014-15	19,939	8,084	6,534	30,661	8,711		11,624
2015-16	21,141	8,189	6,751	32,188	6,752	17,575	13,477
2016-17	20,752	8,842	7,675	28,099	10,014	15,896	16,297
2017-18	20,661	8,701	7,581	30,617	12,584	14,470	17,442

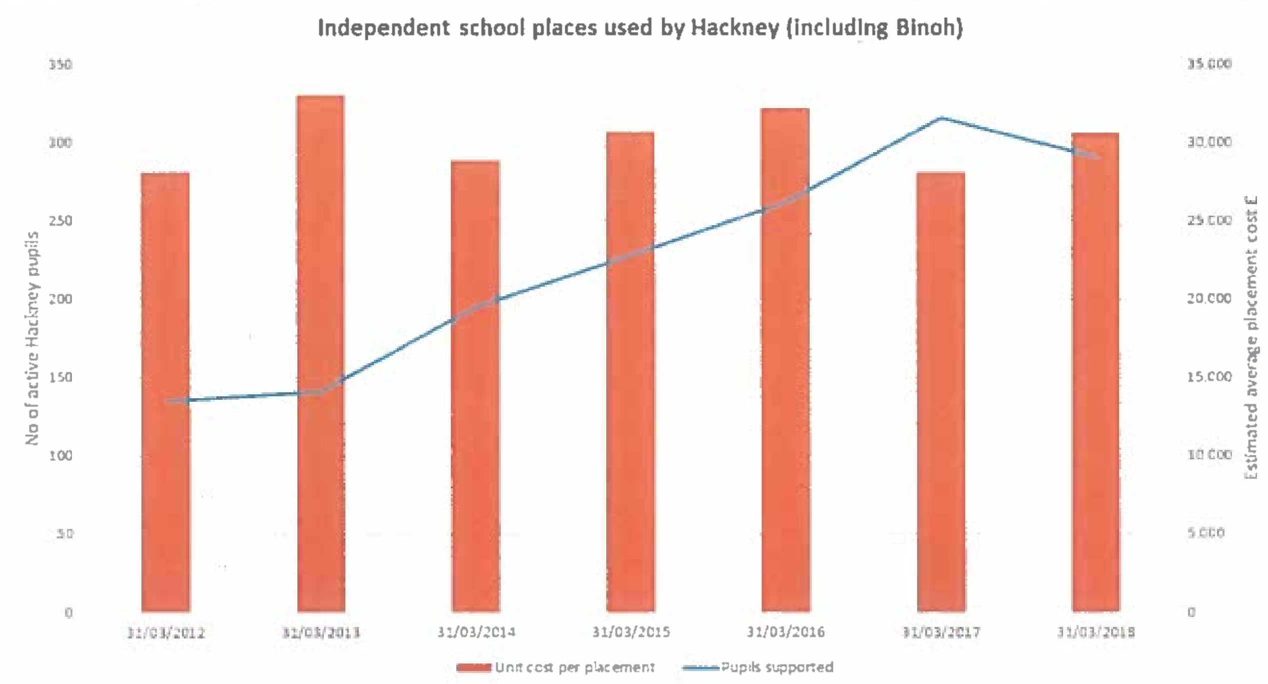
The estimated average placement cost from 2013 till 2017-18 has steadily increased, although there has been higher rises in Independent schools and nurseries but a steadier decline in post 16 provision (perhaps partly attributable to providing Supported Internships and the Post 16 offer)



Independent and non-maintained mainstream and special schools

As can be seen from the graphs below, the budget pressure of a near doubling of the numbers placed in independent schools, plus the increase in the unit cost of provision shown in Table 8 above has led to a dramatic increase over a relatively short space of time.





The increase in independent school costs is due to a number of factors including:

1. The increased number of pupils being referred by schools for an EHC Plan.

2. The emergence of independent schools and Alternative Provision for pupils with Social Emotional and Mental health issues (SEMH: previously referred to as BESD – Behaviour Emotional and Social Difficulties). These settings are in a strong position as there is, and will continue to be, an increasingly limited number of maintained SEMH schools. East London Independent School for example charge £53k per pupil whereas maintained schools such as Ian Mikado and Belmont Park charge £30K

3. Increasing numbers of pupils attending OJ settings (both mainstream and special) most of which are independent schools.

4. A relatively high number of high cost (mainly post 16) ASD placements are at an out of borough specialist school as it was determined that their needs could not be met at a local college placement. The Garden, does not have post 16 provision.

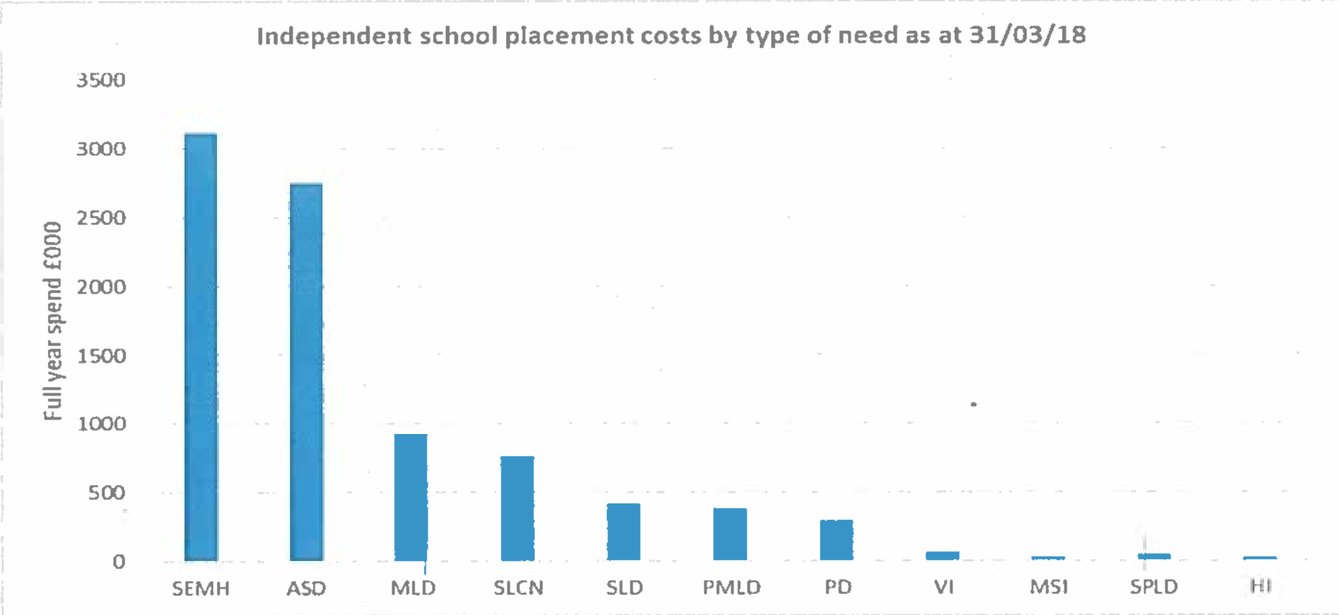
5. Significant and increasing demand for pupils to remain at the setting post 16 following the revised Code of Practice. These are often high cost placements many of which in previous years would have ceased at year 11 as the young people progressed to college provision which did not require an EHC Plan.

Most spend in this sector is on three type of needs as shown in table 8 below:

- Social Emotional and Mental Health (SEMH)
- Autistic Spectrum Disorder (ASD)
- Severe Learning Difficulties (SLD).

We acknowledge that many students do have dual diagnoses and data analysis needs to be more sensitive to this. Despite this, we are seeing an increase in SEMH type behaviours as well as ASD.

Table 8



- The majority of spend on SLD is taken up by a few very high (over £150k) cost placements. Most were directed by Tribunal. The remaining spend is on placements in OJ special schools

- As highlighted before ASD pupils are placed in some very high cost placements which account for a sizeable proportion of the spend. The other notable group is the post 16 ASD pupils. There is limited in borough provision for this group and parents are often dissatisfied with college options and so request a school placement. Unfortunately the placements costs are very high and incur additional often significant transport costs as the preferred settings are in West London. These placements can cost over £63K per student.

- The other cost-significant group is the SEMH cohort. Hackney does not maintain special provision for pupils with SEMH. Consequently a number of pupils with significant needs are placed in independent schools, often because other maintained special schools cannot meet needs or have no vacancies. Hackney has a block contract arrangement some settings that have significant numbers of Hackney pupils.

1. <u>LBH maintained special schools</u>

Hackney maintains 3 special schools:

1. Stormont House: for pupils of secondary school age with complex learning and associated emotional needs
2. The Garden: for pupils aged 2 to 16 with significant ASD
3. Ickburgh: for aged 3 to 19 with severe learning difficulties or profound and multiple learning difficulties

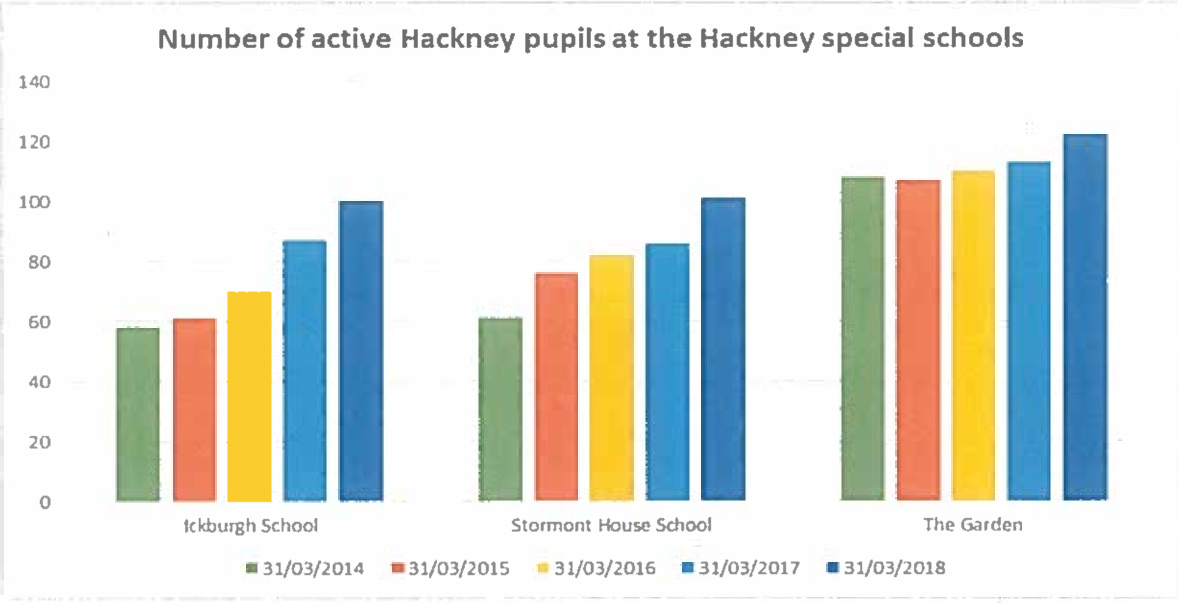
Report for Schools Forum

Number of Statements/Plans maintained as a proportion of population

Annex: Numbers of Statements / EHC Plans Maintained in 2018 as a proportion of population aged 0-

	2018			2018 population estimate ages 0-19	% of population with a Statement or Plan
	Statements	EHC Plans	Total		
Tower Hamlets	408	2,036	2,444	77,000	3.17%
Lambeth	290	1,876	2,166	69,600	3.11%
Sutton	199	1,389	1,588	52,700	3.01%
Merton	80	1,438	1,518	52,200	2.91%
Southwark	164	1,866	2,030	71,800	2.83%
Hounslow	305	1,615	1,920	71,200	2.70%
Wandsworth	250	1,604	1,854	68,900	2.69%
Haringey	540	1,280	1,820	68,400	2.66%
Hackney	182	1,651	1,833	69,400	2.64%
Lewisham	239	1,778	2,017	76,500	2.64%
Bromley	293	1,813	2,106	82,100	2.57%
Croydon	201	2,492	2,693	105,200	2.56%
Hillingdon	301	1,819	2,120	82,900	2.56%
Richmond upon Thames	421	818	1,239	49,300	2.51%
Bexley	367	1,232	1,599	63,700	2.51%
Harrow	127	1,496	1,623	64,600	2.51%
Ealing	451	1,749	2,200	90,100	2.44%
OUTER LONDON	5,505	28,688	**34,193**	1,407,500	**2.43%**
LONDON	8,802	45,173	**53,975**	2,230,400	**2.42%**
Brent	335	1,741	2,076	86,000	2.41%
INNER LONDON	3,297	16,485	**19,782**	822,900	**2.40%**
Kingston upon Thames	323	719	1,042	43,800	2.38%
Islington	120	993	1,113	47,100	2.36%
Enfield	505	1,682	2,187	93,900	2.33%
Hammersmith and Fulham	311	595	906	39,000	2.32%
Waltham Forest	265	1,423	1,688	74,500	2.27%
Camden	144	1,097	1,241	54,900	2.26%
Barnet	114	2,142	2,256	100,600	2.24%
Redbridge	411	1,493	1,904	85,200	2.23%
Greenwich	178	1,470	1,648	75,100	2.19%
Barking and Dagenham	361	1,097	1,458	70,100	2.08%
Havering	268	1,060	1,328	64,200	2.07%
Westminster	402	633	1,035	50,500	2.05%
Kensington and Chelsea	206	323	529	31,800	1.66%
City of London	0	13	13	1,100	1.18%
Newham	41	740	781	96,700	0.81%

Sources:
Statements — Table 3 of https://www.gov.uk/government/statistics/statements-of-sen-and-ehc-
Population estimate — https://data.london.gov.uk/dataset/gla-population-projections-custom-age-tables/



Average pupil cost by Hackney special school	2013-14 £	2014-15 £	2015-16 £	2016-17 £	2017-18 £	Single cohort top up £
Ickburgh School	22,864	21,151	21,280	21,280	21,280	20,000
Stormont House School	10,913	12,464	15,308	14,765	14,339	£15,000
The Garden	22,977	24,558	25,401	25,872	25,808	£25,000

- The spend on these settings is projected to increase as they currently have additional capacity and so pupils are, and will continue to be, directed to these settings as opposed to other similar settings.

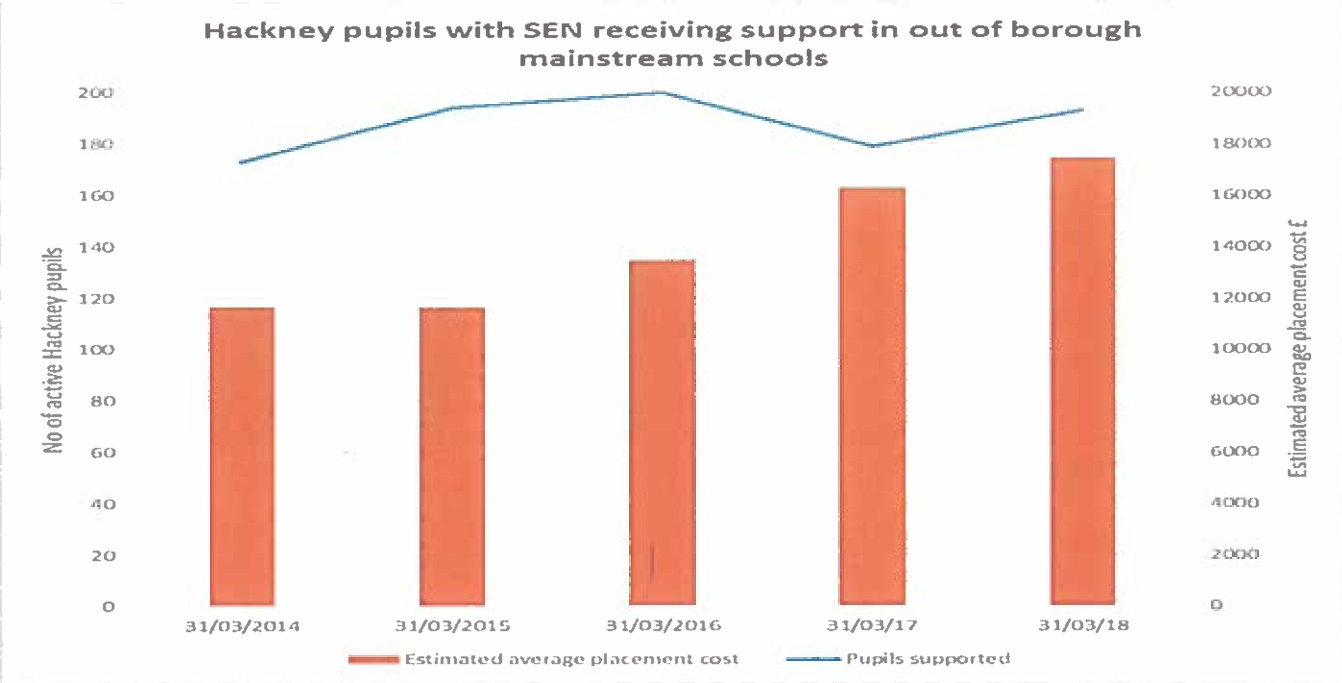
- Stormont supports pupils aged 11 to 17 and currently has a significant cohort of out of borough pupils. These could be replaced with Hackney resident pupils so avoiding other, potentially more costly, placements.

- Ickburgh has a capacity of 150 pupils aged 5 to 19 but currently has XX on roll. There is an exercise to be undertaken to encourage parents to place pupils in this setting as opposed to out of borough competitors.

- The Garden has a capacity of 150 pupils aged 2 to 16 and will have 140 on roll. There is an exercise to be undertaken to ensure capacity and cohort range is used to maximum effect in order to avoid placing pupils in more costly alternative placements.

2. Out of borough maintained mainstream and special schools

As can be seen from the graphs below the budget pressure is driven by an increase in numbers (XX% increase) and average cost per placement (XX% increase).



- There are a number of pupils placed in out borough SLD schools as parents have expressed a preference for these schools as alternative placements to Ickburgh. The costs are relatively similar but are likely to incur additional transport costs.

- Hackney does not have specialist Visual Impairment (VI). There is a newly developed in-borough Deaf and Partial Hearing (DPH) provision at Petchey Academy for secondary but this will take time to realise any impact and Hackney will continue to work with other local boroughs especially for primary provision. There remains a significant proportion of this budget spent on these pupils and this is likely to continue. The placement costs range from 5k to 25k with the majority costing 14k per place.

- Hackney does not have a dedicated Physical Difficulties (PD) school, hence the use of out borough provision. There remains one maintained special school that is used and costs are not considered unrealistic. However, given the spare capacity at Ickburgh, thought should be given to meeting PD needs at Ickburgh.

- The majority of pupils with Speech Language and Communication Needs (SLCN) in out borough schools are in mainstream schools and are placed as a result of parental preference and proximity to home. These are relatively few in number and an even lower number are placed in special schools.

- Hackney does not maintain special provision for pupils with SEMH. Consequently a number of pupils with significant needs are placed in out borough maintained schools: the majority of the costs are for special provision placements with the remainder funding mainstream placements.

- The vast majority of the ASD pupil costs are for placements in mainstream schools and are a result of parental preference. Special school placements have in the main been for post 16 provision as The Garden does not have post 16 provision and parents have chosen a school in preference to New City College (former Hackney Community College).

1.1. Mainstream resource costs

1.1.1. Hackney currently operates a Resource Level system which schools/parents can access via a statutory assessment. There are five levels each with an associated value. This is the 'top up' (element 3) which is paid by the local authority in addition to the £6k (element 2) that the school is expected to fund from its budget. The top up, together with the schools' contribution, is expected to fund the provision named in the EHC Plan.

1.1.2. The table below shows the number of Resource Levels 1 to 5 and the value attached to each. Maintained settings receive this in addition to the £6k they are expected to fund themselves. The table also shows the number of pupils receiving that level of support and the total cost to the High Needs Block. This illustrative table only relates to the funding of pupils attending Hackney mainstream maintained schools and Hackney Academies.

Resource Level (mainstream and academy schools only)	Value £	Number of pupils at 31/3/18	Total full year cost £
Level 1	4,985	247	1,231,295
Level 2	6,397	44	281,468
Level 3	6,842	195	1,334,190
Level 4	12,034	254	3,056,636
Level 5	16,651	40	666,040
Total		**780**	**6,569,629**

Appendix 1

Number of Statements/Plans maintained 2010 to2018

SEN2 Census Date	2010	2011	2012	2013	2014	2015			2016			2017			2018			
	Statements	Statements	Statements	Statements	Statements	Statements	EHC Plans	Total	Statements	EHC plans	Total	Statements	EHC plans	Total	Statements	EHC plans	Total	% increase 2010 to 2018
LONDON	36,568	37,629	38,071	39,164	40,340	40,749	355	41,104	33,168	10,540	43,708	22,992	25,562	48,554	8,802	45,173	53,975	47.6%
INNER LONDON	13,524	13,980	14,061	14,485	14,961	14,938	71	15,009	12,634	3,415	16,049	8,709	8,936	17,645	3,297	16,485	19,782	46.3%
Camden	1,014	991	968	957	969	964	0	964	760	319	1,079	490	712	1,202	144	1,097	1,241	22.4%
City of London	17	13	10	11	9	7	2	9	6	6	12	1	14	15	0	13	13	-23.5%
Hackney	1,216	1,236	1,284	1,349	1,399	1,534	1	1,535	1,317	318	1,635	898	877	1,775	182	1,651	1,833	50.7%
Hammersmith and Fulham	601	609	600	630	647	725	0	725	760	23	783	597	179	776	311	595	906	50.7%
Haringey	1,242	1,298	1,359	1,393	1,351	1,345	0	1,345	1,224	170	1,394	931	606	1,537	540	1,280	1,820	46.5%
Islington	821	802	815	835	911	877	0	877	667	279	946	380	636	1,016	120	993	1,113	35.6%
Kensington and Chelsea	386	405	431	440	440	496	0	496	557	11	568	397	107	504	206	323	529	37.0%
Lambeth	1,361	1,545	1,398	1,472	1,582	1,512	7	1,519	1,129	419	1,548	808	1,000	1,808	290	1,876	2,166	59.1%
Lewisham	1,365	1,341	1,356	1,379	1,448	1,370	38	1,408	1,215	256	1,471	801	931	1,732	239	1,778	2,017	47.8%
Newham	573	598	641	659	611	504	0	504	366	148	514	258	362	620	41	740	781	36.3%
Southwark	1,457	1,485	1,476	1,474	1,515	1,408	13	1,421	975	625	1,600	528	1,351	1,879	164	1,866	2,030	39.3%
Tower Hamlets	1,481	1,558	1,627	1,747	1,805	1,928	10	1,938	1,567	499	2,066	1,006	1,206	2,212	408	2,036	2,444	65.0%
Wandsworth	1,165	1,226	1,247	1,289	1,265	1,295	0	1,295	1,088	310	1,398	758	798	1,556	250	1,604	1,854	59.1%
Westminster	825	873	849	850	1,009	973	0	973	1,003	32	1,035	856	157	1,013	402	633	1,035	25.5%
OUTER LONDON	23,044	23,649	24,010	24,679	25,379	25,811	284	26,095	20,534	7,125	27,659	14,283	16,626	30,909	5,505	28,688	34,193	48.4%
Barking and Dagenham	899	937	919	945	1,011	1,025	0	1,025	877	225	1,102	867	365	1,232	361	1,097	1,458	62.2%
Barnet	1,518	1,640	1,659	1,709	1,727	1,731	0	1,731	1,405	412	1,817	926	1,162	2,088	114	2,142	2,256	48.6%
Bexley	1,347	1,342	1,270	1,302	1,284	1,289	0	1,289	1,042	330	1,372	821	639	1,460	367	1,232	1,599	18.7%
Brent	1,491	1,608	1,640	1,650	1,620	1,609	44	1,653	1,238	566	1,804	820	1,140	1,960	335	1,741	2,076	39.2%
Bromley	1,884	1,942	1,975	1,975	1,917	1,719	107	1,826	1,361	510	1,871	913	1,051	1,964	293	1,813	2,106	11.8%
Croydon	1,704	1,773	1,847	1,947	2,044	2,033	41	2,074	1,494	723	2,217	882	1,609	2,491	201	2,492	2,693	58.0%
Ealing	1,411	1,482	1,584	1,577	1,631	1,689	0	1,689	1,426	454	1,880	1,148	907	2,055	451	1,749	2,200	55.9%
Enfield	1,239	1,248	1,253	1,291	1,385	1,411	0	1,411	1,237	184	1,421	1,021	907	1,928	505	1,682	2,187	76.5%
Greenwich	1,273	1,264	1,205	1,218	1,209	1,181	0	1,181	979	290	1,269	638	786	1,424	178	1,470	1,648	29.5%
Harrow	1,080	1,120	1,137	1,158	1,168	1,174	9	1,183	916	420	1,336	539	938	1,477	127	1,496	1,623	50.3%
Havering	648	635	659	691	866	1,021	0	1,021	785	269	1,054	580	556	1,136	268	1,060	1,328	104.9%
Hillingdon	1,282	1,288	1,351	1,449	1,480	1,598	5	1,603	1,134	552	1,686	735	1,167	1,902	301	1,819	2,120	65.4%
Hounslow	1,092	1,140	1,211	1,293	1,397	1,506	0	1,506	1,262	302	1,564	765	1,061	1,826	305	1,615	1,920	75.8%
Kingston upon Thames	641	653	680	728	770	803	0	803	663	236	899	472	486	958	323	719	1,042	62.6%
Merton	891	894	925	986	1,029	1,024	28	1,052	797	281	1,078	504	738	1,242	80	1,438	1,518	70.4%
Redbridge	1,394	1,391	1,387	1,429	1,436	1,462	10	1,472	1,014	533	1,547	708	1,001	1,709	411	1,493	1,904	36.6%
Richmond upon Thames	800	819	819	861	941	1,040	0	1,040	868	236	1,104	646	554	1,200	421	818	1,239	54.9%
Sutton	1,122	1,100	1,079	1,071	1,071	1,063	35	1,098	840	374	1,214	507	943	1,450	199	1,389	1,588	41.5%
Waltham Forest	1,328	1,373	1,410	1,399	1,393	1,433	5	1,438	1,196	228	1,424	791	616	1,407	265	1,423	1,688	27.1%