

Appendix 2 - An illustration of a method for reducing the HNB forecast expenditure in 2018/19

Expected High Needs Block allocation received from ESFA (£millions)	2018-19			Method for achieving reduction	Effect of reduction on schools
	Forecast Expenditure	Reduction achievable	Proposed budget 2018/19		
Service	£ millions	£ millions	£ millions		
Special School Budgets (Including Academy place funding paid directly by EFA)*	22.355	- 0.627	21.728	The moderation of pupils HN bandings has reduced the estimated cost of Special School Places in 2018/19 by £0.392 million. Deferring additional places at Carlton Digby would reduce the forecast by a further £0.133 million and transferring children placed in AP to Beech could reduce expenditure by further £0.102 million	The reduction due to moderation has no additional effect on Special Schools as it is part of the annual budget setting process. Reducing the expansion of places at Carlton Digby would potentially increase expenditure from the INM (EHCP) budget.
Place Funding for AP, CCP and FE providers	1.102	-	1.102	These figures are determined by the ESFA High Needs Places records and can not be changed for 2018/19	Top up funding at FE Colleges is less expensive than INM places so increases the remaining funding available to schools compared with a system where post 16 pupils attend INM in preference to FE. This is true of some Free School places
Inclusion Services	2.635	- 0.020	2.615	Current vacancies have been frozen but will no longer be filled by supply staff. In addition vacancies that the service is aware will be arising in 2018/19 will also be held vacant. Outsourcing of training and charging schools to attend.	This will reduce the support of Schools and families to meet the needs of children with hearing and visual impairments. It will reduce the LA's capacity to meet statutory requirements related to portage from birth to statutory school age. It will also reduce the capacity of the cognition and learning team to provide support to mainstream settings by 33%. If training is outsourced and charged to schools it will reduce the impact of reductions in team capacity on supporting schools to meet the needs of children and young people with SEND.
Secondary Devolved Partnership Funding	3.100	- 0.396	2.704	The partnership quantum will be reduced by £0.396 million. This will be devolved through the same formula as in 2017/18. The illustrative effect on allocations per partnership can be seen in model one	This will reduce schools capacity to provide tailored support for children and young people at risk of exclusion and could result in increased applications for EHCPs and INM places.
Primary Devolved Partnership Funding	0.616	- 0.079	0.537	The partnership quantum will be reduced by £0.079 million. This will be devolved through the same formula as in 2017/18. The illustrative effect on allocations per partnership can be seen in model one	This will reduce schools capacity to provide tailored support for children and young people at risk of exclusion and could result in increased applications for EHCPs and INM places.
Partnership Team	0.656	- 0.006	0.650	Limited savings achievable in 2018/19 due to no known vacancies arising in 2018/19	This would have no impact on schools as the saving would be generated by regrading a vacant post from September 2018. The post can not be frozen as it is required to monitor and quality assure EOTAS provision for permanently excluded pupils.
SEN Home to School Transport	1.764	N/A	1.764	The £1.764 million is a contribution towards the total SEND home to school transport budget of £8.2 million. Decreasing this contribution would put further strain on the LA's budget.	N/A
Post 16 High Needs (outside of special schools and academies)	5.552	N/A	5.552	This budget is demand led with pupil numbers and placement costs increasing. Although no reduction can easily be made in the short term NCC officers are implementing mitigating actions to keep costs to a minimum. These are detailed in the body of the report.	N/A
Independent Non Maintained Schools and Alternative Provision (EHC Plan)**	11.378	N/A	11.378	This budget is demand led with pupil numbers and placement costs increasing. Although no reduction can easily be made in the short term NCC officers are implementing mitigating actions to keep costs to a minimum. These are detailed in the body of the report.	N/A
Independent Non Maintained Schools and Alternative Provision (Non EHC Plan)	1.567	N/A	1.567	This budget is demand led with pupil numbers and placement costs increasing. Although no reduction can easily be made in the short term NCC officers are implementing mitigating actions to keep costs to a minimum. These are detailed in the body of the report.	N/A
Targetted HLN ***	5.208	- 0.666	4.542	£250k found through no longer topping up schools who are underfunded through their notional SEN. The HLN quantum will be reduced by £0.416 million.	This will result in reduction in the amounts paid to schools. An illustrative effect per school can be seen in model two. Some of this will be offset by an increase in notional SEN funding within the ISB.
Family network funding ***	1.139	- 0.146	0.994	The FNF quantum will be reduced by £0.146 million. Two options for a revised formula for allocating the quantum to schools are detailed in the body of the report and attached as models 3a and 3b .	The illustrative effect on allocations per family can be seen in <b>models 3a and 3b</b> . This could lead to reduced capacity at school level to meet the needs of children with SEND and an increase in applications for HLN funding placing additional strain on a reduced budget.
Additional family needs ***	7.538	- 0.964	6.574	The AFN quantum will be reduced by £0.964 million. Two options for a revised formula for allocating the quantum to schools are detailed in the body of the report and attached as models 3a and 3b .	The illustrative effect on allocations per family can be seen in <b>models 3a and 3b</b> . This could lead to reduced capacity at school level to meet the needs of children with SEND and an increase in applications for HLN funding placing additional strain on a reduced budget.
Health Related Education Team and Physical Disability unit	1.316	- 0.093	1.223	These costs relate to a contract with Fountaindale Special School. Due to contract commitments only savings from freezing vacant posts can be made during 2018/19	The headteacher at Fountaindale to directly manage PDSS in the absence of a PDSS manager. No change to current practice during 2017/18
Anti Bullying and MAPA	0.025	- 0.003	0.022	Increased income from the MAPA sold service	No additional impact on schools as additional income will be generated by sales to schools out of County.
SEND Divisional Costs	0.819	N/A	0.819	There are no vacant posts which could be frozen and post holders currently are responsible for administration of devolved budgets for schools and recuperation of funding from other local authorities with places in Nottinghamshire schools. The remaining posts are within SEND commissioning team who ensure that CYP with EHCP can access suitable education.	N/A
OLA Special Schools Net expenditure	0.681	N/A	0.681	This budget is demand led with pupil numbers increasing. Although no reduction can easily be made in the short term NCC officers are implementing mitigating actions to keep costs to a minimum. These are detailed in the body of the report.	N/A
Non ISB reserve deficit B/Fwd	0.437	N/A	0.437	This figure is based on the current forecast deficit on the DSG reserve at the end of 2017/18. This deficit will need to be recovered in 2018/19.	N/A
<b>Total</b>	<b>67.889</b>	<b>- 3.000</b>	<b>64.889</b>		
<b>Expected Funding Shortfall</b>	<b>5.352</b>				