

Appendix 3 - An illustration of a method for reducing the HNB forecast expenditure in 2018/19

	2018-19				
Expected High Needs Block allocation received from ESFA (£millions)	62.537				
	Forecast Expenditure	Reduction achievable	Proposed budget 2018/19	Method for achieving reduction	Effect of reduction on schools
Service	£ millions	£ millions	£ millions		
Special School Budgets (Including Academy place funding paid directly by EFA)*	22.355	- 0.492	21.863	The moderation of pupils HN bandings has reduced the estimated cost of Special School Places in 2018/19 by £0.392 million and transferring children placed in AP to Beech could reduce expenditure by further £0.1 million	The reduction due to moderation has no additional effect on Special Schools as it is part of the annual budget setting process.
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	-	2.635	Current vacancies have been frozen, however supply staff have filled these vacancies in 2017/18. This will no longer be the case but vacancies arising in year will be filled.	The freezing of currently vacant posts will reduce the support of SFSS to meet the needs of children with hearing and visual impairments to some extent, but should allow the LA to continue to meet statutory requirements related to portage from birth to statutory school age.
Secondary Devolved Partnership Funding	3.100	- 0.440	2.660	The partnership quantum will be reduced by £0.440 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 four	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	- 0.087	0.529	The partnership quantum will be reduced by £0.087 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 four	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	-	0.656	N/A	N/A
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	- 0.737	4.471	£250k found through no longer topping up schools who are underfunded through their notional SEN. The HLN quantum will be reduced by £0.487 million.	This will result in reduced payments to schools. An illustrative effect per school can be seen in model five. Some of this will be offset by an increase in notional SEN funding within the ISB
Family network funding ***	1.139	- 0.161	0.978	The FNF quantum will be reduced by £0.161 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 6a and 6b.	The illustrative effect on allocations per family can be seen in model 6a and 6b. 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
Additional family needs ***	7.538	- 1.067	6.471	The AFN quantum will be reduced by £1.067 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 6a and 6b.	The illustrative effect on allocations per family can be seen in model 6a and 6b. 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
Health Related Education Team and Physical Disability unit	1.316	- 0.013	1.303	These costs relate to a contract with Fountaindale Special School. The allocation of funding for the headteacher to line manage PDSS could be halved by allowing the appointment of a permanent manager to fill the vacant post.	The headteacher would have responsibility for line managing HRET and PDSS managers but not the PDSS team
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	-	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 recouperation of funding from other local authorities with places in Nottinghamshire schools. The remaining	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
Total	67.889	- 3.000	64.889		
Expected Funding Shortfall	5.352				

Assumptions

* 107 additional Special Schools Places by September 2019. Still requiring final accuracy check from Schools

** 10 new requests for education placement per month (reduced by new special school places).

*** 2% growth per year as per Nottinghamshire's school age population growth trend