

## HIGH NEEDS

<b>Cabinet Date</b>	30 January 2019
<b>Children and Young People</b>	Cllr Richard Boyles
<b>Key Decision</b>	Yes
<b>Background Documents</b>	High Needs consultation paper, June 2018 Consultation findings and report ISOS Partnership report <i>Have we reached a tipping point?</i> , December 2018 Children & Families Act 2014 SEND Code of Practice January 2015
<b>Location/Contact for inspection of Background Documents</b>	<a href="#">high needs consultation</a> <a href="#">ISOS</a> <a href="#">Children and Families Act</a> <a href="#">Code of Practice</a> or contact: Stewart King: Tel: 01452 328488 Email: <a href="mailto:Stewart.King@Gloucestershire.gov.uk">Stewart.King@Gloucestershire.gov.uk</a>
<b>Main Consultees</b>	Children and Young People with Additional needs Parents and carers Mainstream schools Special schools and other specialist providers Gloucestershire Schools Forum Health, care and other professionals
<b>Planned Dates</b>	High Needs consultation June to September 2018 Proposals to Cabinet in the light of consultation responses January 2019 Schools Forum consideration of strategic issues February 2019 Sign off for consultation of Post 16 and Specialist Commissioning Strategies March 2019
<b>Divisional Councillor</b>	All
<b>Officer</b>	Stewart King, Lead Commissioner for Education Strategy and Development Tel: 01452 328488, Email: <a href="mailto:Stewart.King@Gloucestershire.gov.uk">Stewart.King@Gloucestershire.gov.uk</a>

<b>Purpose of Report</b>	To report on the findings of a major consultation on high needs in the summer of 2018 and to agree proposals to improve outcomes for children and young people with high needs in the light of the current financial challenges.
<b>Recommendations</b>	<p>Cabinet is recommended to:</p> <ol style="list-style-type: none"> <li>1. Approve the Joint Strategy for Children and Young People with Additional Needs, including Special Educational Needs (SEND).</li> <li>2. Agree the strategic approach to high needs set out in para 3.2.</li> <li>3. Apply the Education Risk Reserve (£500,000) to invest in the development of 'hubs' in the primary sector.</li> <li>4. Agree to prioritise £200,000 p.a. funding for Restorative Practice from the 2019/20 High Needs budget with a full evaluation to be carried out jointly with the Schools Forum after the first year.</li> <li>5. Agree the principles outlined for the Specialist Commissioning Strategy and Post 16 SEND Strategy and authorise the Director of Education, in consultation with the Lead Cabinet member for Economy Skills and Growth, to consult on the strategies upon completion.</li> </ol>
<b>Reasons for recommendations</b>	New approaches are needed to improve outcomes for children and young people with additional needs and to achieve a sustainable budget
<b>Resource Implications</b>	The High Needs allocation from central government for 2019/20 totals £60.0m. The deficit on high needs at 31 <sup>st</sup> March 2019 is projected at £2.7m. The deficit is likely to increase to at least £3.7m by the end of 2019/20. The paper seeks the release of the Education Risk Reserve (£0.5m) to establish the primary hubs and to prioritise £0.2m p.a. of DSG funding to support Restorative Practice.

## **MAIN REPORT CONTENTS**

### **1 Introduction**

In common with other local authorities, Gloucestershire's high needs budget is overspending. Cabinet is asked to approve a joint strategy for supporting children with additional needs, developed with our partners, and to agree the action plan to deliver the strategy in what is a very challenging financial context.

### **2 Background**

#### **2.1 High Needs organisation and funding**

Children are considered to have high needs if the annual cost of supporting those needs is greater than £6,000. Funding is provided by central government through the High Needs Block of the Dedicated Schools Grant (DSG). The High Needs Block totals £58.9m for 2018/19 and covers spending on:

- children with Education Health and Care Plans (EHCPs) attending mainstream schools. Schools are expected to meet the first £6,000 with the High Needs budget funding a 'top-up' where the additional support costs exceed £6,000
- special schools
- specialist placements in independent schools
- Alternative Provision for children permanently excluded from school or those unable to attend school due to medical needs
- Specialist services e.g. the Virtual School for children in care

Rights and expectations are set out in legislation, in particular the 2014 Children and Families Act and the SEND Code of Practice: 0-25.

#### **2.2 Outcomes**

In general educational outcomes for children in Gloucestershire exceed the national average. However:

- children with SEND do not make the same level of progress as their non-SEND peers
- permanent exclusions from Gloucestershire Schools are the highest in our family of similar local authorities and amongst the highest in the country
- De-registrations from school to Elective Home Education have increased sharply in the last two years

#### **2.3 The overspend**

Like most local authorities, Gloucestershire's high needs budget is projected to overspend - by £4.7m in 2018/19. The budget has been supported by DSG reserves over the last two years but those reserves will be exhausted this year, leaving a projected deficit at 31<sup>st</sup> March 2019 of £2.7m. All the main areas of spend are running ahead of the budget with the greatest pressure being on:

- EHCP top ups in primary schools - £1.8m

- Alternative Provision schools - £1.4m

The pressure is illustrated by the rise in the number of EHCPs, which is also reflected nationally. At the end of December 2018 the total number of EHCPs in Gloucestershire stood at 3,573, an increase of 47.4% since January 2015 and the introduction of the SEND reforms.

## 2.4 The national picture

The financial challenges on high needs are not unique to Gloucestershire. A recent report compiled by the ISOS Partnership for the Local Government Association predicts that 74% of local authorities will be in deficit on high needs by the end of 2018/19 and that the deficit at national level will be up to £1.6bn by 2021.

## 2.5 Recent developments

In response to concerns about funding across the country, on 16<sup>th</sup> December 2018 the Secretary of State announced £350m of additional funding: £100m capital and £250m revenue. For Gloucestershire this means an addition to the High Needs allocation of £1.35m for 2018/19 and the same amount again for 2019/20. The revised allocation for 2019/20 now stands at £59.96m. The position for 2020/21 onwards will not be known until the outcome of the Spending Review is announced next autumn. Medium term planning is therefore difficult.

There is a facility to transfer funding from the Schools Block of the DSG to support high needs; around 40 local authorities sought to do so in 2018/19. The local Schools Forum, a statutory body of representatives of school headteachers and governors, can agree transfers of up to 0.5% of the Schools Block. The Gloucestershire Schools Forum did not feel able to support any transfer. In the light of the expected overspend, the council's consultation with schools on funding for 2019/20 contained a range of options from no transfer to transferring 0.5% of the Schools Block. The broader consultation with all schools supported a 0.25% transfer. In order to minimise the deficit on high needs the council submitted an appeal to the Secretary of State, seeking a 0.25% transfer. However, following the Secretary of State's funding announcement, and mindful of about the pressure on school budgets, the appeal was withdrawn.

There is no plan to reduce spending on high needs or support for individual pupils in 2019/20 other than when agreed through an annual review of an EHCP. A medium term financial plan will however need to be developed in conjunction with the Schools Forum and that will be the subject of full consultation in due course.

## **3 A strategic approach**

### 3.1 Strategic context

A multi-agency strategy has been developed with partners to improve outcomes for children and young people with additional needs. The Joint Strategy for Children and Young People with Additional Needs including SEND, attached at Annex A.

In summary, the Strategy sets out the county's vision to develop and provide services that achieve positive outcomes for children and young people with additional needs.

The strategy has been developed as a partnership with all stakeholders including parents and carers, schools and colleges, health and social care. It replaces the county's SEND strategy taking into account the engagement with children and young people and their families through our work with the Parent Carer Forum and direct discussions with other parent carers and children and young people's groups.

All children can have additional needs at some time in their lives and may need support for a short period of time, or for longer. We use the term 'additional needs' as an appropriate description of all children and young people in need of support. Crucially, we want all agencies working with children and young people to see the person first and not the category of additional need they may have. The most effective support will be that which builds on their strengths and enables them to become as independent as possible. The strategic vision is for:

*Services from across education, health and care to enable growth and development so that each child or young people can thrive and reach their potential to become an independent, healthy and happy adult.*

Following its approval by the Joint Commissioning Partnership Executive, Cabinet is now asked to formally approve Gloucestershire's Joint Additional Needs Strategy for Children & Young People with Additional Needs, including Special Educational Needs & Disabilities (SEND)

Building on the Joint Strategy, a major consultation on high needs was launched in June 2018 aimed at addressing the challenge of improving outcomes and achieving a sustainable budget in the education arena. The consultation paper proposed an approach that:

- helps children and young people to make better progress
- provides more flexible support to meet the needs of individual children
- gives schools better access to specialist support
- passes more funding directly to schools to respond to the needs of children as they arise, reducing the reliance on EHCPs
- provides peer support for parents and carers within their school community
- builds on local primary school partnerships
- reduces exclusions from school
- builds on the post-16 offer, with more positive outcomes

The consultation report sets out detailed feedback from a wide range of respondents. Only 1% said they did not understand why the Council is seeking to make changes and 75% agreed or strongly agreed that the key proposal for area-based hubs in the primary sector would help children access quicker and more effective support. The financial context has worsened since the summer due to a continuing rise in the number of Education Health and Care plans and placements in independent special schools. This has not changed the principles or proposals on which we consulted but the need to make rapid progress on implementation has become more urgent.

### 3.2 A High needs action plan for Gloucestershire

From the high needs consultation, the following High Needs strategic aims and delivery plan have been developed:

#### Strategic aims:

- an inclusive education system characterised by effective early intervention and supported by a skilled workforce able to access specialist support
- high quality specialist provision available locally for those that need it
- a sustainable budget

#### To be delivered through:

- primary hubs with devolved funding and co-commissioned support services, linked to parent support networks
- an approach to improving outcomes and achieving a sustainable budget by investing in Restorative Practice
- new approaches to exclusions in secondary schools (details dependent on government announcements)
- developing a specialist commissioning strategy with the following key features:
  - a strong network of special schools.
  - a more flexible boundary between mainstream and special, to include outreach from special schools
  - new specialist provision for children of secondary age with Social Emotional and Mental Health Needs. A expression of interest has been submitted to the DfE's Wave 13a for a 50 place 11-16 special school with a focus on assessment, transition to employment and moving on to a more appropriate setting where appropriate
  - bespoke packages for children with children who would otherwise be in specialist placements in the independent sector
- a post 16 strategy built around the following principles:
  - preparation for adulthood from year 9 and with additional support available
  - a range of provision appropriate to needs and geared towards preparation for adulthood and employment
  - supportive transitions between and within settings with good quality advice and guidance
- greater challenge in the EHCP process with an expectation that schools will meet the requirements of the Code of Practice in making reasonable adjustments to meet the needs of a changing cohort of pupils with central funding targeted where it is needed most
- developing a stronger partnership approach with schools especially the Schools Forum and with a particular focus on achieving a sustainable budget
- continuing with current approaches to Early Years with a strong focus on transition from early years setting to primary school

## **4 The delivery plan**

### **4.1 The Primary hubs**

The consultation proposed a new approach built around the seven local primary school partnerships with one or more 'hubs' in each area. The hubs would:

- provide a focal point for children and schools in the area
- offer a mix of outreach and short term placements but with the child always remaining on the roll of the home school

- have devolved funding to enable schools to intervene quickly
- be connected to parent support networks
- have direct access to support services, to be 'co-commissioned' with schools

The anticipated benefits of the hub model are:

- effective early intervention would reduce the need for EHCPs and permanent exclusions from primary schools would cease. Where children need to move to more specialist provision that should happen without the need for exclusion
- the £5,000 cost of producing each EHCP could be used by the hubs for early intervention, as well as the top-up funding allocated to each plan
- individual schools would be able to access all the resources available in the area – at other schools, amongst parents and carers or the community more generally
- skills will be taken back from the hubs into local schools, upskilling the workforce as a whole

The largest areas of growth in 'primary need' identified in EHCPs have been Autistic Spectrum Conditions (ASC) and Social, Emotional and Emotional Health (SEMH) difficulties. Children with ASC need staff working with them on a daily basis to have knowledge and skills (rather than specialist skills needing to be brought in to direct a support programme). Where SEMH is the primary need, effective early intervention can reduce or eliminate the need for long term support/high cost specialist placements. The hub proposal has the potential to be particularly effective in supporting these needs.

A proposal to transfer an additional 0.25% from the Schools Block to High Needs to fund the hubs was not supported by the Schools Forum or by the wider consultation with schools, reflecting the anxiety about core school funding. But there continues to be strong interest in the idea from the primary school community and it remains critical to improving outcomes for children and to making better use of limited funding for both schools and the council.

The hub proposal represents a radical change in approach and would require 'pump-priming' – investment in setting up before funding locked into EHCPs can be released. Cabinet is recommended to release £0.5m from the Education Risk Reserve to provide the initial funding.

The hub proposal does not seek to deny access to EHCPs. It is anticipated that these will continue to be in place for long term complex needs and the statutory process is there for any parent/carer who feels they need that for their child. However, the hub proposal will enable needs to be identified earlier with schools, parent and support services working in partnership, allowing support to be more flexible and responsive and obviating the need for an EHCP in many cases.

#### 4.2 Restorative Practice (RP)

Restorative Practice is an approach that seeks to improve and repair relationships. There is evidence both nationally (most notably in Leeds, Lincolnshire, Stockport, Cardiff and West Berkshire) as well as locally in Gloucestershire, that RP impacts positively on organisational culture and improvements in school outcomes. However, this approach does require sustained and sufficient resources in order for it to have the desired impact. The proposed approach to high needs has RP at its core, working alongside ACEs to deliver a Trauma Informed Relational Practice approach for schools. The intended impacts are on exclusions, attendance and behaviour and on co-operative working between schools and the council's

education service in particular. Feedback from both the secondary school pilots at Dean Academy and Pittville and in primary schools (particularly at Moat primary school which saw an 84% reduction in fixed term exclusions in the first year of RP) has been extremely positive. Costs of delivering an RP programme can be shared between schools and the council and the council's contribution can legitimately be met from DSG. The proposal is fund, as a first call on the high needs budget (DSG), £200,000 p.a over the next five years to implement the programme as set out in Annex B, with a full evaluation, to be carried out jointly with the Schools Forum, after the first year.

### 4.3 Exclusions

Permanent exclusions from Gloucestershire schools totalled 138 in the academic year 2017/18. Comparative statistics for other local authorities for 2017/18 are not yet available, but in previous years permanent exclusions from Gloucestershire schools and academies have been more than double the comparator group average.

As described in paragraph 4.1 the hubs have the potential to significantly reduce exclusions (both permanent and fixed term) from primary schools.

Local collaborative structures are not well-developed in the secondary sector; a different approach to exclusions is therefore needed.

A combination of a high rate of permanent exclusion and the difficulty in finding secondary schools willing to accept a pupil excluded by another school has meant that the Alternative Provision schools have been running over-capacity.

The high needs consultation revealed support for devolving funding to secondary schools. And for a £5,000 'welcome' payment for pupils excluded from another school, with the excluding school making a financial contribution at the same level. As things stand, we are not in a position to proceed with this proposal. Local authorities do not have the power to impose such a model and it would therefore need to be introduced through agreement with schools. Although supportive overall, the high needs consultation was not unanimous on this point.

There has been growing concern nationally and in the media about the rise in exclusions and in 'off-rolling' (removing a student from the school's roll to improve exam results). Imminent announcements from government following the completion of the Timpson review of exclusions, due to report shortly, now look likely. Changes we make locally now run the risk of being countermanded or radically altered by government policy announcements.

In the short term the proposal is to continue to:

- develop with Gloucestershire Association of Secondary Heads (GASH) and the Gloucestershire Association of Primary Head (GAPH) a joint proposal aimed at making reintegration from Alternative Provision easier. Schools are understandably anxious to ensure that the process is fair and that a school does not find itself in a position where it is accepting pupils with challenging behaviour when it feels that neighbouring schools are not.

- seek options for devolved arrangements where schools take more direct responsibility for out of school education provision (evidence indicates that exclusions are lower in areas where devolved arrangements are in place)
- work with the AP schools to ensure that the council is able to continue to meet its statutory responsibility to make provision for all excluded pupils, commissioning additional provision if necessary
- review the structure and commissioning arrangements of Alternative Provision in conjunction with the AP schools

#### 4.4 Partnership with schools

According to the Institute for Fiscal Studies school funding has reduced by 8% in real terms since 2010. This has impacted on their ability to support children with additional needs, particularly given the reduction in funding for other support services.

A key finding from the ISOS report was the need for local authorities to be '*working with mainstream schools to foster a strong approach to inclusion, early intervention and prevention of needs escalating, working with local maintained specialist providers and mainstream schools to offer different types of flexible provision, bearing down on the use of high-cost out of area placements through effective commissioning and tightening up on the thresholds for awarding an EHCP where a child's needs can be successfully met through non-statutory forms of support*'. That accords very closely with the approach set out in our high needs consultation.

Given the inter-relationship between school and high needs spending (e.g. permanent exclusions where the cost shifts from schools to high needs), the scale of the deficit and the uncertainty over future funding, it is imperative that the council and Schools Forum work together to address the strategic challenge. We will otherwise need to confront the option of transfers from the Schools Block on a regular basis.

The council is clearly not in a position to provide ongoing funding to support the High Needs Block, especially when funding responsibility rests with central government; however some investment in activities that are likely to reduce costs in the medium term would be welcomed by schools and improve outcomes for children and young people.

#### 4.5 Specialist commissioning strategy

A strategy is in development. It has the following key features:

- a strong network of special schools with numbers rising over time to reflect the increase in the school age population
- a more flexible boundary between mainstream and special, to include outreach from special schools
- new specialist provision for children of secondary age with Social Emotional and Mental Health Needs. A expression of interest has been submitted to the DfE's Wave 13a for a 50 place 11-16 special school with a focus on assessment, transition to employment and moving on to a more appropriate setting where appropriate
- bespoke packages for children with children who would otherwise be in specialist placements in the independent sector

#### 4.6 Post 16 SEND strategy

A strategy is in development. Drawing on the outcome of the high needs consultation, it is built around the following principles:

- preparation for adulthood from year 9 and with additional support available
- a range of provision appropriate to needs and geared towards preparation for adulthood and employment
- supportive transitions between and within settings with good quality advice and guidance

Both these strategies will be the subject of consultation with all stakeholders including children and young people, parents and carers.

### 5 Options

The main options are:

- a) To continue with current provision and approaches, attempting to manage costs as effectively as possible e.g. on procurement of specialist placements
- b) To approve the Joint Additional Needs Strategy for Children and Young People with Additional Needs, including Special Educational Needs and the strategic approach to high needs as set out in para 3.2
- c) To approve the Joint Additional Needs Strategy for Children and Young People with Additional Needs, including Special Educational Needs and the strategic approach to high needs as set out in para 3.2, with any amendments agreed by Cabinet.

### 6 Risk Assessment

Failure to take action on high needs will place the council at risk of significant additional costs, of continuing poor outcomes for many children with additional needs and of formal challenge by parents or others.

### 7 Officer Advice

Option a) offers little prospect of getting to a sustainable budget and is likely to lead to either:

- the council funding high needs in some form e.g. through clearing deficit
- and
- continuing friction with the Schools Forum and schools more generally as a consequence of needing to seek substantial transfers of funding from the Schools Block

Experience locally and in other local authorities demonstrates that the scope for containing costs through conventional measures is strictly limited. The statutory basis for SEND assessment and provision means that raising thresholds for access to support is not a feasible approach. It also risks formal challenge by parents or groups of parents.

Officer advice is that system change is needed, working collaboratively with schools on the changes. Option b), accepting the need to make a modest investment now in measures to

promote effective early intervention and prevention, sets out how this can be achieved. The consequences for the council of not taking this approach are likely to be severe in both financial and reputational terms, but more importantly, continuing poor outcomes for many children with additional needs.

## **7 Equalities considerations**

Age and disability are the critical issues. Children with SEND do not make the same progress as their peers. The proposals set out in the consultation paper aim to improve outcomes for children with additional needs, enabling them to attend their local school with their needs being understood and effective support put in place quickly.

Boys are over-represented amongst children with identified SEND; this is consistent with the national picture.

Cabinet Members should read and consider the Due Regard Statement in order to satisfy themselves as decision makers that due regard has been given.

## **8 Consultation feedback**

There were 841 responses to the main consultation and 153 to the 'easy-read' version.

The main responders to the main consultation were parents/carers and schools at 32% each. 42% felt that the proposals would have a positive impact on them, 8% felt it would have a negative impact on them and 40% were unsure. This may reflect the fact that the primary hub proposal in particular is a radically different approach to a system based on statutory process.

There was strong support for:

- our existing approach to early years
- Restorative Practice
- creating packages of support for children with higher level of need so that their needs could be met locally wherever possible
- an individualised curriculum for those children who are not able to reintegrate into a mainstream school
- earlier preparation for post 16 transition with more emphasis on advice and guidance

75% felt that the area based hub model would help children access quicker and more effective support

## **9 Performance Management/Follow-up**

Progress on the High Needs plan and spending trends is overseen by a High Needs Board, chaired by the Director of Education and attended by the Director of Children's Services.

The Schools Forum workplan for 2019/20 has high needs as its prime focus, with a seminar in February.

<b>Report Title</b>	High Needs
<b>Statutory Authority</b>	Children and Families Act 2014 School and Early years Finance (England) Regulations
<b>Relevant County Council policy</b>	The Council Strategy provides the framework. The proposals in this paper seek to establish new policy for SEND and high needs.
<b>Resource Implications</b>	The High Needs allocation from central government for 2019/20 totals £60.0m. The deficit on high needs at 31 <sup>st</sup> March 2019 is projected at £2.7m. The deficit is likely to increase to at least £3.7m by the end of 2019/20. The paper seeks the release of the Education Risk Reserve (£0.5m) to establish the primary hubs and to prioritise £0.2m p.a. of DSG funding to support Restorative Practice.
<b>Sustainability checklist:</b>	
Partnerships	The overarching Joint Strategy for Children and Young People with Additional Needs has been signed off by the Joint Commissioning Partnership Board and Executive
Decision Making and Involvement	Most of the statutory responsibilities e.g. for SEND rest with the county council. The Schools Forum is a statutory consultee on Dedicated Schools Grant and school funding issues.
Economy and Employment	The post 16 strategy has a particular focus on helping young people into employment
Caring for people	The approach set out in the paper aims to address the needs of young people as a whole, ensuring that care needs are integrated with education and health needs as envisaged by the Children and Families Act
Social Value	
Built Environment	N/A
Natural Environment' including Ecology (Biodiversity)	N/A
Education and Information	The report focuses on educational outcomes for children and young people with additional needs
<b>Tackling Climate Change</b>	Carbon Emissions Implications? <del>Positive/ Neutral/ Negative</del> Vulnerable to climate change? <del>Yes/ No/ Maybe</del>

<p><b>Due Regard Statement</b></p>	<p>Has a Due Regard Statement been completed? Yes/No          Considerations included in main body of report</p> <p>A copy of the full Due Regard Statement can be accessed on GLOSTEXT via  <a href="http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1">http://glostext.gloucestershire.gov.uk/uuCoverPage.aspx?bcr=1</a></p> <p>Alternatively a hard copy is available for inspection from Jo Moore, Democratic Services Unit, e-mail:  <a href="mailto:jo.moore@gloucestershire.gov.uk">jo.moore@gloucestershire.gov.uk</a>.</p>
<p><b>Human rights Implications</b></p>	
<p><b>Consultation Arrangements</b></p>	<p>High needs has been the subject of a major consultation exercise between June and September 2018.</p>