

High Needs Report

Schools' Forum Date	14 th January 2021
Type of Decision	For information and decision
Background Documents	High Needs Strategy
Authors	Philip Haslett, Head of Education Strategy and Development
Purpose of Report	<ul style="list-style-type: none">• To provide an update on the high needs financial forecast for 2020/21.• To update on the key funding drivers for High Needs (EHCPs and Permanent Exclusion).• To update on the national picture regarding high needs.
Key Recommendations	<p>Forum members are asked to review the current forecast for 2020/21 and bring any questions or clarifications required to the Forum meeting.</p> <p>Forum members are asked to consider, given the local and national picture for High Needs, and the planned activities through the Joint Additional Needs and High Needs Programme, whether there are further actions that need to be taken to affect change on the High Needs budget position.</p>
Resource Implications	

1. High Needs Forecast 2020-21

- 1.1. Detailed below is the December financial forecast for the 2020/21 High Needs budget.
- 1.2. Please note that the revised budget is after recouplement adjustments of £8,254.5m by the DfE for the funding of places in academies. Also note that the budget figures include the £882,000 schools block surplus that was agreed at the June 2020 Schools Forum.

High Needs Block	Budget £000	Revised Budget £000	December Forecast £000	Variance to budget £000	September Forecast £000	Change between reports £000
Alternative provision	5,583.70	5,577.9	5,300.5	-277.4	5,322.80	-22.3
Glos Hospital Education	1,785.10	1,785.1	1,786.5	1.4	1,779.30	7.2
EHCP Costs - College and FE	7,124.90	5,154.9	4,768.9	-386.0	4,800.00	-31.1
EHCP Costs - Early Years	186.2	186.2	180.6	-5.6	180.7	-0.1
EHCP Costs - Primary	7,839.90	7,839.9	7,340.6	-499.3	7,463.80	-123.2
EHCP Costs - Secondary	4,013.20	4,013.2	4,432.6	419.4	4,259.70	172.9
Excluded pupils	-100	-100.0	-92.1	7.9	-92.1	0.0
LA Services and staffing	3,870.90	3,913.9	3,887.5	-26.4	3,868.40	19.1
Independent Special Schools	15,115.00	15,115.0	15,319.0	204.0	15,115.00	204.0
Restorative Practice	200	200.0	199.4	-0.6	204.2	-4.8
Special Centres	696.1	498.4	510.1	11.7	479.7	30.4
Special school provision	24,496.90	18,356.9	19,022.4	665.5	19,086.40	-64.0
Support Services	1,270.10	1,286.1	1,200.8	-85.3	1,226.60	-25.8
Virtual School	620.3	620.3	614.2	-6.1	620.3	-6.1
	72,702.3	64,447.8	64,471.0	23.2	64,314.8	156.2

- 1.3. As mentioned at the November schools forum we have started to see a movement in use of independent school places from September 2020 onwards. As such we are now forecasting an overspend of £204,000 on the independent school budget.
- 1.4. This increase in independent places includes 2 highly complex residential placements starting in September and the need for up to 10 additional independent school placements between September and the end of the financial year.
- 1.5. The increased use of independent school places reflects a local capacity issue in special school places, particularly secondary places for children and young people requiring with Social Emotional Mental Health (SEMH).
- 1.6. Forum members will be aware plans to increase SEMH places are well formed and the building of a new 75 place SEMH secondary school is underway and due to completed in 2022. These additional places in maintained specialist provision are critical in enabling the reduction in use of Independent places.
- 1.7. In additional there have been a number of movements across the budgets as September transitions have been finalised. The largest of these are the movements in primary and secondary top-ups, with primary seeing a reduction of £123,200 and secondary seeing a rise of £172,900.

1.8. In total this means we are now forecasting an overspend against the planned budget of £23,200.

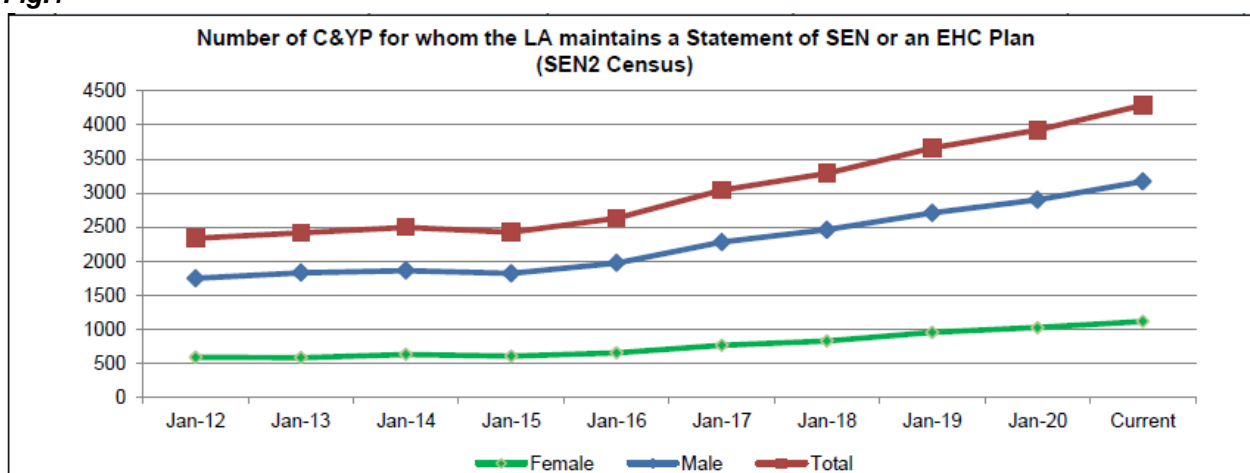
Forum members are asked to review the current forecast for 2020/21 and bring any questions or clarifications required to the Forum meeting.

2. Key Drivers

2.1. The number of EHCPs has continued to rise as forecast. At the 1st December 2020 there were 4,284 active EHCPs, which is a rise of 202 since August 2020.

2.2. Fig.1 shows the trends for the last 9 years broken down by gender. As reported in previous meetings we continue to see the steady rise in plans since the changes to the SEND code of practice were implemented.

Fig.1



2.3. Rates of permanent exclusion have remained broadly in line with the previous year, with a total of 23 children and young people being permanently excluded from school this academic year, compared to 21 in the same period in 2019/20. Numbers are marginally higher in primary schools and lower in secondary schools.

Fig.3 – Permanent exclusion Dec 2020/21

		Gloucestershire								
Permanent Exclusions										
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Primary	Number	13	19	26	31	31	30	16	15	5
	Rate	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.03%	0.03%	0.0%
Secondary	Number	76	71	89	106	110	108	95	57	17
	Rate	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.25%	0.14%	0.0%
Special	Number	4	3	0	1	0	0	0	0	0
	Rate	0.4%	0.3%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
PRU	Number	0	0	0	2	1	0	1	0	1
	Rate	0.0%	0.0%	0.0%	2.4%	1.1%	0.0%	#DIV/0!	0.0%	0.5%
COMBINED	Number	93	93	115	140	142	138	112	72	23
	Rate	0.12%	0.11%	0.14%	0.17%	0.17%	0.16%	0.13%	0.08%	0.03%

Fig.4 - Permanent exclusion November 2019/20

		Gloucestershire							
		Permanent Exclusions							
		2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Primary	Number	13	19	26	31	31	30	16	2
	Rate	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.03%	0.0%
Secondary	Number	76	71	89	106	110	108	96	19
	Rate	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.25%	0.0%
Special	Number	5	3	0	1	0	0	0	0
	Rate	0.5%	0.3%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
PRU	Number	0	0	0	2	1	0	1	0
	Rate	0.0%	0.0%	0.0%	2.3%	1.1%	0.0%	#DIV/0!	#DIV/0!
COMBINED	Number	94	93	115	140	142	138	113	21
	Rate	0.12%	0.11%	0.14%	0.17%	0.17%	0.16%	0.13%	0.02%

2.4. It is worth noting that the recent announcement of a further national lock down and partial school closure, will mean that the spring term will see a significant reduction in permanent exclusion, due to the limited number of children and young people in school.

3. National High Needs Picture

3.1. The pressure on High Needs budgets continues to cause concern in local authorities across the country. The Society of County Treasurers (SCT) and the F40 group have recently surveyed members to get an up to date picture.

3.2. The summary report from the SCT is included with the papers. In terms of the cumulative high needs deficits; by the end of 2020-21 forecasts from the 32 that responded show:

- 13 members with deficits between £0m and £10m,
- 9 members with deficits between £10m and £20m
- 1 with a deficit in the £20millions and another just over £30m
- 3 with deficits between £40m and £50m

3.3. Gloucestershire sits in the second group of 9 members with a deficit of between £10 and £20m. This does not account for any historic movements from schools block or LA funding. We have reached out to find out which Local Authorities have no deficit or a very low position to understand the context and how they have maintained that position. We hope to be able to provide more information at the next Schools Forum meeting.

3.4. You will note that the SCT members, in line with Gloucestershire, are calling for a review of the quantum of funding, but have also identified concerns about the formula and the heavy dependence on historic funding. We are exploring this issue in more detail and hope to provide a verbal update at the January forum meeting to expand on this issue.

3.5. The report also a calls for SEND policy change, which is expected as an outcome of the Governments review of SEND, due to be published in early 2021.

3.6. The F40 survey successfully collected data from 77 local authorities, which is a 52% response rate. Annex A shows the cumulative deficit position for the authorities that responded and the deficit as a proportion of budget.

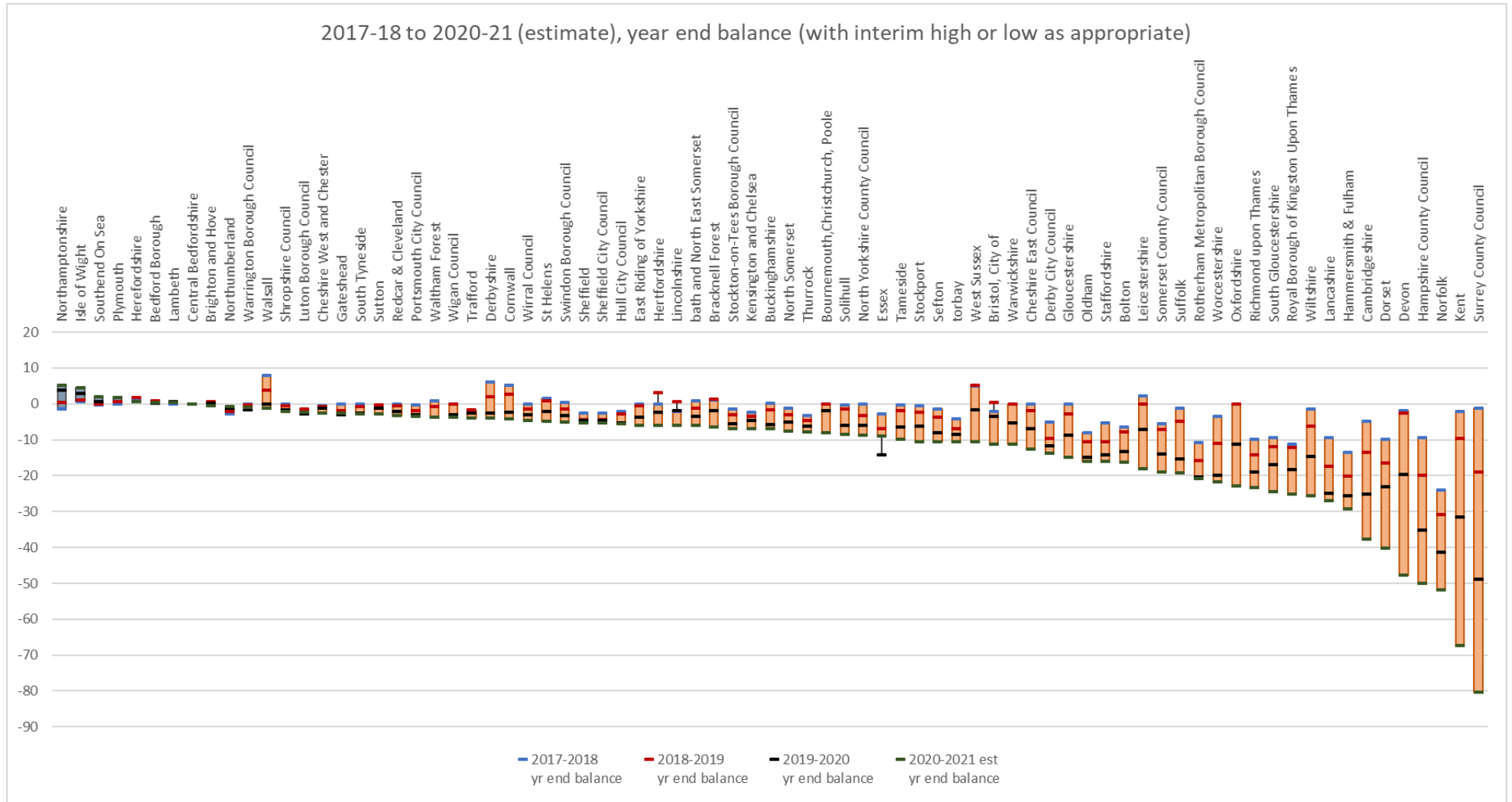
3.7. Overall these surveys and analysis shows that the national pressures are continuing and that there are a number of authorities with exceptionally high deficits. There 18 authorities

reporting a cumulative deficit position at £20m plus, with Kent just shy of £70m and Surrey at just over £80m.

- 3.8. It also shows that High Needs recovery, for many local authorities, is underpinned by a need for central government to address both the funding and SEND policy through the SEND review.
- 3.9. It remains our ambition, through the work detailed in the Joint Additional Needs and High Needs programme, to deliver a change programme in Gloucestershire that ensures we are utilising funding in the right way, focussing on early intervention and reducing the pressures on statutory processes (EHCP and Permanent Exclusion). The drivers for this being that we deliver the best outcomes for children and young people and enable financial efficiency/value for money.
- 3.10. This work will start to show an incremental improvement in our High Needs financial position, but without government policy addressing funding and SEND policy, we are not in a position to affect recovery, without a significant reduction to the way that we fund children with additional needs.

Forum members are asked to consider, given the local and national picture for High Needs, and the planned activities through the Joint Additional Needs and High Needs Programme, whether there are further actions that need to be taken to affect change on the High Needs budget position.

Annex A



2020-21 estimated deficit as a proportion of HNB funding.

