

High Needs Report

Schools' Forum Date	16 September 2021
Type of Decision	For information
Background Documents	High Needs Strategy
Authors	Philip Haslett, Head of Education Strategy and Development
Purpose of Report	To provide an update on: <ul style="list-style-type: none">• the forecast financial performance of the High Needs block in 2021/22.• SEND trends and in particular the number of EHCPs support by the High Needs block.
Key Recommendations	Forum members are asked to note the 2021/22 High Needs forecast, the variance to budget and associated commentary.
Resource Implications	Note that the High Needs block is forecasting a £4,105,300 overspend in 2021/22. This is an increase of £532,000 on the budgeted overspend of £3,573,300.

1. High Needs – Forecast for 2021/22

- 1.1. The table below shows the High Needs forecast, less recoupment, as at the end of July 2021. This shows a worsening picture for the High Needs block this year. The key variance, £532,000, is within the High Needs unallocated budget line. This is comprised of a significant adjustment of £282,000 in the import/export calculation and a £250,000 adjustment for the mainstream top up budgets, to support additional therapies and bespoke SEN packages. The cost of therapies and bespoke packages is not an additional cost, but should have been included in the initial budget planning.
- 1.2. The import and export adjustment process and the associated increase in costs this year are explained in section 2 of this report.
- 1.3. We have also seen a rise in the number of children with an EHCP moving into FE and College placements, this has resulted in a forecast overspend of £172,000. This is due to an overall rise in the number of pupils entering post-16 with an EHCP, partly due to the overall increase in EHCPs in the system, but also due to the creation of more opportunities in the mainstream FE and post-16 sector.
- 1.4. These additional post-16 opportunities have resulted in a reduction in the use of independent post-16 providers, saving around £200,000 on 20 places. This has helped create a forecast underspend in the Independent Special Schools budget of £51,900.
- 1.5. Finally, it is worth noting the rise in primary and secondary mainstream forecasts, £69,00 and £96,000 respectively. This is directly linked to a rise, in excess of the historic trends, in the number of new EHCPs. Details of the rise in EHCPs are explored later in this report.
- 1.6. As a result of the adjustments outlined above, the expected annual overspend in High Needs has moved from £3,573,300 to £4,105,300. This is still a significant improvement of over £1m on the overspend in 2020/21.

High Needs Block	Budget	Forecast (July)	Variance to budget	Variance to prvs forecast
	£000	£000	£000	£000
Alternative provision - places & top ups & services	5,476.7	5,467.6	-9.1	4.1
Alternative provision - Glos Hospital Education	2,030.7	2,017.3	-13.4	-11.9
EHCP Costs - College and FE	4,698.9	4,870.9	172.0	172.0
EHCP Costs - Early Years	233.5	233.5	0.0	0.0
EHCP Costs - Primary	7,239.3	7,308.6	69.3	69.3
EHCP Costs - Secondary	4,976.0	5,003.6	27.6	96.3
Excluded pupils	-100.0	-137.0	-37.0	-37.0
LA Services and staffing	3,870.9	4,068.9	198.0	3.6
Independent Special Schools	17,262.7	17,207.1	-55.6	-51.9
Restorative Practice	200.0	200.5	0.5	-2.6
Special Centres	458.0	456.3	-1.7	-1.7
Special school provision	20,948.2	20,977.2	29.0	29.0
Support Services	1,286.1	1,238.9	-47.2	-30.1
Virtual School	620.3	620.3	0.0	-11.7
High Needs Unallocated	-3,855.3	250.0	4,105.3	532.0
Rounding	-0.2	-0.1	0.1	0.2
	65,345.8	69,783.6	4,437.8	759.6

- 1.7. As stated above the growth trend for EHCP numbers are on the rise. The period from January 2020 to January 2021 saw an increase of 420 EHCPs, compared to the 350 we

budgeted for. We are working through the details and impact of this growth to better understand the spike in numbers. If this is sustained we will need to build these numbers into the 5-year recovery plan. The 5-year plan is being updated and will be presented at the November schools Forum.

- 1.8. Forum members will note that the forecast above is based on data from July. The service teams are currently completing the September 2021 forecast with details of new starters in all establishments. Early indications are that we are starting to see an impact from the increased numbers of EHCPs. However, this work is not able to be completed in time for the publication of the Schools Forum report, so a detailed view of the updated forecast will be shared with members at the meeting. This will include the 2% increase in top-up funding agreed at the last Schools Forum and ratified by the Local Authority.

Forum members are asked to note the 2021/22 High Needs forecast, the variance to budget and associated commentary.

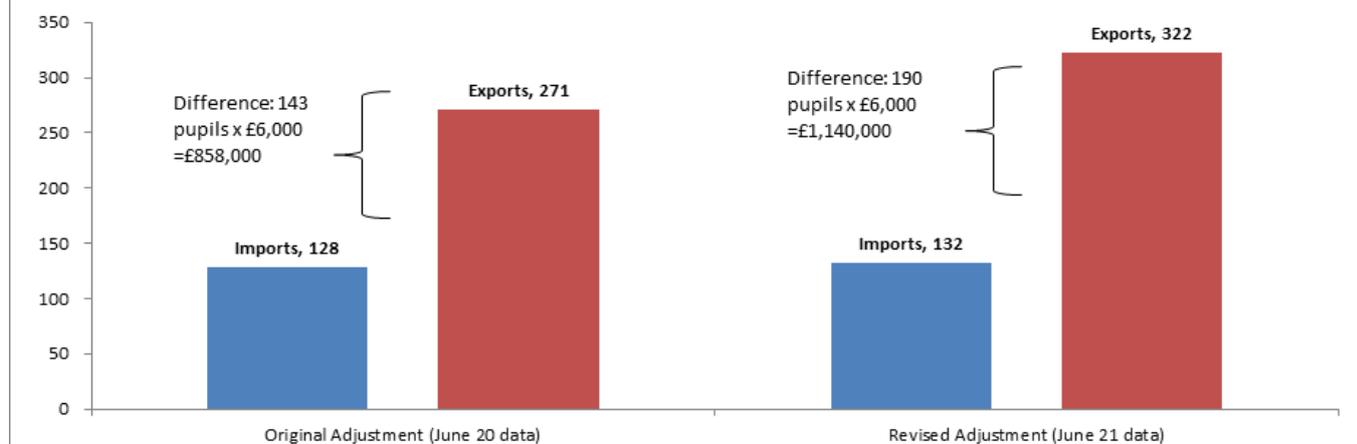
2. Import and Export adjustment

- 2.1. Most high needs funding is allocated to local authorities based on children and young people who live in their area, regardless of where they are educated. The import/export adjustment is intended to reflect the movement of high needs pupils and students between local authority areas, where they live in one authority area and attend a school or college in another, creating an additional financial cost to the latter authority. It is calculated as a net figure based on:
- the number of high needs pupils and students educated at an institution in the local authority area, minus
 - the number of high needs pupils or students living in their area
 - the net number of pupils and students, either positive or negative, is then multiplied by £6,000
- 2.2. In the import/export adjustment ESFA is considered the provider local authority for non-maintained special schools (NMSS), special post-16 institutions (SPI) and certain centrally funded further education (FE) institutions.
- 2.3. In Gloucestershire we are a **net exporter** which means that the number of Gloucestershire high needs pupils that other areas take (exports) is above the number of every high needs pupil that Gloucestershire takes in from another area (imports). The data used by the ESFA to calculate the import/export adjustment is based on the local authority in which the pupil or student lives (known as the resident local authority) and the local authority in which the education setting is based (known as the provider local authority). This data is taken from the January school census and the February ILR figures, for the following financial year. (So for 2021/22 they will use the January 2021 census and the February 2021, figures which will not be available until after budget setting).
- 2.4. The financial impact to the high needs budget is shown in the graph below (compared with the previous year):

2021-22 Import/Export Adjustment

Import: A pupil from another LA, in a Gloucestershire School

Export: A pupil from Gloucestershire, in another LA's school



Allocation	Imports	Exports	Net	Adjustment
Original Adjustment (June 20 data)	128	271	-143	-858,000
Revised Adjustment (June 21 data)	132	322	-190	-1,140,000
Difference	4	51	-47	-282,000

2.5. The outcome of the above means a deduction of £1,140,000 from Gloucestershire's 21/22 high needs funding block, compared to £858,000 in 20/21. A difference of -£282,000.

2.6. The data used by the ESFA to calculate the import/export adjustment is the January school census and the February ILR figures, for the following financial year. (So for 2021/22 they will use the January 2021 census and the February 2021, figures which will not be available until after budget setting)

2.7. The DfE provides each LA with a breakdown of the adjustment at setting level (please see attached). When looking at the detail please ignore the Gloucestershire column as the data contained in the both the import and export tabs.

3. Growth trends for EHCPs

3.1. As the growth trend for the number of EHCPs supported by the high needs budget has risen sharply this year, we have included a short report with more detailed information about SEN provision across the county. This looks at local, national and statistical neighbour data.

3.2. Forum members will note that the SEN2 data detailed in this report, shows that there were 4,342 children and young people aged 0 to 25 with an EHC plan maintained by the local authority in January 2021 compared to 3,922 in January 2020. This is the rise of 420 mentioned above and should it continue will impact on the ability to set a balanced budget within the 5-year High Needs plan.

3.3. As outlined in previous meetings and detailed in the JAN and High Needs strategies we remain focussed on enabling earlier intervention to support a reduction in the rise of EHCPs. This is a long-term sustainable model to address the issue, rather than addressing the challenge through the further reduction of services or funding.

3.4. Changes to the funding model remain an essential part of this approach, but the long-term commitment of the school system and multi-agency partners to supporting early intervention is critical.

4. Implementation of new funding model

4.1. Since the last school's forum meeting we have been working hard to finalise the new banded funding model ready for a trial implementation with a small cohort of schools in January 2022.

4.2. The descriptors that support the new banding system have received feedback from all key stakeholders, including but not limited to schools, the Education Psychology Service, Advisory Teachers, SEND casework and parents and carers. There is a little more work to do on the Communication and Interaction descriptors, once completed they will be formally published with a clear annual review cycle.

4.3. We are now working with a number of schools to develop provision maps that sit alongside each descriptor. The provision maps will then be costed, so that we can assess the funding levels for each band.

4.4. The descriptors, provision maps and proposed funding levels will be brought to the next schools forum for review and sign off.

5. COVID recovery premium

5.1. On the 6th September the Dfe announced details for the funding of the COVID recovery premium - [Recovery premium funding - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/recovery-premium-funding-2021).

5.2. This information has been provided 48hrs before publication of schools forum documents, so we are assessing the impact of this funding for schools in Gloucestershire and will bring details to the meeting on the 16th September.