

High Needs Report

Schools' Forum Date	12 th January 2022
Type of Decision	For information and discussion
Background Documents	High Needs Strategy 16 th December 2021 DfE announcement - School funding boosted by £4bn to level up education for young people - GOV.UK (www.gov.uk)
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Purpose of Report	<p>To provide updates on High Needs forecast for 2021/22 and the current growth trends in Education Health and Care Plans.</p> <p>To provide a 5 year forecast for the High Needs budget including underlying assumptions.</p> <p>To provide an update on key activities to reduce High Needs expenditure</p>
Key Recommendations	<p>Forum members are asked to:</p> <ul style="list-style-type: none">• review the current forecast and associated information and bring any questions to the meeting.• consider the local and national EHCP data and bring any questions to the meeting.• to review and consider the 5-year plan and bring any questions to the meeting. We would also like Forum to agree for the development of the forecast and the underlying assumptions to be a priority for the High Needs working group in the spring term.
Resource Implications	Expected increase in High needs expenditure in 2021/22 of £613,000 resulting in an in-year deficit of £5,711m.

1. High Needs – Forecast for 2021/22

1.1. The table below shows the High Needs forecast, less recoupment, as at the end of November 2021. Since the last School's Forum meeting in September there has been a further £613,000 increase in forecast expenditure which results in a forecast in-year deficit of just over £5.7m.

<u>High Needs Block</u>	Budget	Forecast	Variance to
	£000	(Nov 2021)	budget
		£000	£000
Alternative provision - places & top ups & services	5,470.8	5,077.9	-392.9
Alternative provision - Glos Hospital Education	2,030.7	1,974.4	-56.3
EHCP Costs - College and FE	4,698.9	5,825.6	1,126.7
EHCP Costs - Early Years	233.5	275.8	42.3
EHCP Costs - Primary	7,882.3	8,345.6	463.3
EHCP Costs - Secondary	5,226.0	5,550.3	324.3
Excluded pupils	-100.0	-188.1	-88.1
LA Services and staffing	3,870.9	3,900.9	30.0
Independent Special Schools	17,262.7	17,266.5	3.8
Restorative Practice	200.0	199.7	-0.3
Special Centres	291.3	279.5	-11.8
Special school provision	20,948.2	21,230.2	282.0
Support Services	1,286.1	1,180.7	-105.4
Virtual School	620.3	620.3	0.0
High Needs Unallocated	-4,093.3	0.0	4,093.3
Rounding	-0.1	0.1	0.2
	65,828.3	71,539.4	5,711.1

1.2. The increased forecast expenditure is driven by higher than forecast EHCP costs. In September we reported a rise in the trends for EHCP requests, this rise has continued and has therefore impacted on the mainstream and special school forecasts. This has resulted in forecast expenditure for Primary EHCP costs increasing by £230k, Secondary EHCP costs by £120k and the cost of specialist placements by £250k.

1.3. This means that the forecast deficit position for 2021/22 of £5.7m is greater than the previous year (£5.4M). We had set out with the aim to see an improved position this year, but the 2% increase in top-up rates, significant increases in support for EHCPs in post-16 and further education and the increase in initial requests for EHCPs has meant that we have been unable to reduce the in-year deficit position.

1.4. Later in this report I have shared a draft 5-year forecast. Refining and being clear on the assumptions we make regarding EHCP growth will be critical for us to lay out an effective 5-year plan that can bring the High Needs budget back into a balanced in-year position.

Forum members are asked to review the current forecast and associated information and bring any questions to the meeting.

2. Growth trends for EHCPs

2.1. The table in fig.1 below shows the number of active EHCPs that we are supporting as at the 1st December 2021. In the 11 months since January 2021, we have seen a net increase of 425 plans. In the 12-month period we are assuming this will rise to around 450. This is 100 higher than we had forecast based on the historic EHCP trends.

Fig.1

Snapshot as at:	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Current - 01/12/2021	Trend (current comp Jan. 21)
Number of children and young people for whom the LA maintains a Statement of SEN or an EHC Plan (0-25)	3,044	3,290	3,658	3,922	4,332	4,757	↑
% of population with a statement of SEN or an EHC Plan*	1.7%	1.9%	2.1%	2.2%	2.5%	2.7%	↑
% of population - National comparison	1.7%	1.9%	2.1%	tba	tba		→
% of population - Statistical Neighbour comparison	1.8%	2.0%	2.3%	tba	tba		→
* Percentages pre-dating September 2014 are based on 0-19 population data for Gloucestershire, figures after this period are based on 0-25 population data.							
Number of children and young people with a Statement of SEN or an EHC Plan (0-25) not maintained by the LA	64	84	98	89	84	128	↑

2.2. National reporting on this data is lagged, so in comparing our position to both the national picture and that of our statistical neighbours we are only able to look at data from 1st Jan 2021. The table in Fig.2 shows local data, alongside that of our statistical neighbours and the national position. You will note that despite the growth we are experiencing the percentage of the population supported by an EHCP in Gloucestershire is lower in both instances.

2.3. This provides us with confidence that we are not an outlier in terms of the pressures that the SEND service is facing.

Fig.2

A. Identification: Prevalence - Resident population

Prevalence & Characteristics	Incidence of SEND	Gloucestershire						Statistical neighbours			England						Additional Information:		
		2017	2018	2019	2020	2021	Trend	Latest	Average	Rank	Latest Diff.	2017	2018	2019	2020	2021		Rank	Latest Diff.
Number of residents with an EHCP		3,044	3,290	3,658	3,922	4,332		4,611			287,290	319,813	353,995	390,109	430,693				
% of 0-24 residents with an EHCP		1.74	1.87	2.08	2.23	2.46		2.83		-0.4	1.72	1.91	2.11	2.32	2.56		-0.10	---	
Number of new EHCPs in the calendar year		514	560	484	558	-		662			42,162	48,907	53,899	60,097	-				
% of 0-24 residents with new EHCPs in the cal. year		0.29	0.32	0.28	0.32	-		0.41		-0.1	0.25	0.29	0.32	0.36	-		-0.04	---	
Number under 5 year olds with an EHCP		116	135	159	154	162					11,629	12,516	14,094	15,398	16,538				
% of EHCP population who are under 5		3.8	4.1	4.3	3.9	3.7		3.7		6	4.0	3.9	4.0	3.9	3.8		0.1	---	
Number of 5 to 10 year olds with an EHCP		1,079	1,235	1,417	1,519	1,601					97,379	105,689	117,222	128,764	142,342				
% of EHCP population who are between 5 and 10		35.4	37.5	38.7	38.7	37.0		33.8		10	33.9	33.0	33.1	33.0	32.6		-0.9	---	
Number of 11 to 15 year olds with an EHCP		1,167	1,194	1,288	1,424	1,587					112,540	117,354	126,332	137,639	151,572				
% of EHCP population who are between 11 and 15		36.3	36.3	35.2	36.3	36.6		35.1		8	35.2	36.7	35.7	35.3	35.2		1.4	---	
Number of 16 to 19 year olds with an EHCP		634	667	729	742	849					58,034	70,084	77,587	83,695	90,715				
% of EHCP population who are between 16 and 19		20.8	20.3	19.9	18.9	19.6		21.0		2	20.2	21.9	21.9	21.3	21.1		45	1.8	
Number of 20 to 25 year olds with an EHCP		48	59	65	83	133					7,708	14,176	18,760	25,213	29,532				
% of EHCP population who are between 20 and 25		1.6	1.8	1.8	2.1	3.1		6.4		2	2.7	4.4	5.3	6.5	6.3		19	3.8	
Children in Care with an EHCP		34.5	32.4	34.6	-	-		33.6		4.0	26.7	26.5	27.2	-	-		-1.4	---	
Children in Care with SEN Support		33.1	33.6	35.0	-	-		28.1		-1.7	29.6	29.0	28.7	-	-		-1.1	---	
Children in Need with an EHCP		12.6	10.7	14.8	-	-		30.2		10	24.1	24.7	26.7	-	-		135	1.9	
Children in Need with SEN Support		28.0	30.5	31.0	-	-		22.7		1	21.8	21.7	21.8	-	-		2	-2	

Statistical neighbour ranks are out of 11 and England out of ~151 (varies if some LA data is suppressed).

Forum members are asked to consider the local and national EHCP data and bring any questions to the meeting.

3. Longer term forecasting

3.1. In working on a 5-year model our focus has been on how we achieve an in-year balanced budget, so that the growth of the cumulative deficit position slows and ultimately ceases. This is in line with the approach that the DfE are taking with other “higher risk” Local Authorities with whom they have had recovery discussions. They have worked with them to get to a balanced in-year position before agreeing how the accumulated deficit would be treated. It is our understanding that some of the funding for the supplementary grant for 2022/23 has been retained to support the DfE’s recovery discussions with ‘High Risk’ local authorities.

- 3.2. As we have seen this financial year forecasting the High Needs budget is challenging as the EHCP trends have been changing significantly. We recognise that some of this increase in need is driven by the impact of COVID-19, with many children not having had access to the stabilising and developmental benefits of early years and statutory education in the way that they would normally have done.
- 3.3. At the June Forum meeting we would like to approve a 5-year plan for High Needs. A draft version of this plan is shown below (appendix A). The plan is underpinned by the following key assumptions:
- EHCP growth trends move back in line with historic numbers. A net increase of circa 350 plans a year;
 - There is continued investment from the DfE and ESFA, in line with the last 3 years to meet the rising level of need (not including the additional funding received for 2022/23 through the supplementary grant);
 - The proportion of children with an EHCP attending mainstream, specialist or independent specialist provision remains at current levels; and
 - No increase in top-up funding has been included other than the 2% increase agreed this year.
- 3.4. Ahead of the School's Forum meeting in June we would like to test these assumptions with the High Needs working group, looking at the impact of adjustments in each of these areas with a view to gaining Forum agreement for each of the key assumptions.
- 3.5. For example, we know that an increase in the top-up funding in mainstream and specialist provision will have a significant cost. However, there is a case that could be made, if we can be confident that the consequence of these increases and the focus on supporting earlier intervention results in more children able to access mainstream and maintained specialist provision, resulting in less use of independent provision, and offsetting the increased top-up costs.

Forum members are asked to review and consider the 5-year plan and bring any questions to the meeting. We would also like Forum to agree for the development of the forecast and the underlying assumptions to be a priority for the High Needs working group in the spring term.

4. Update: Joint Additional Needs Transformation Programme

- 4.1. In relation to the High Needs budget challenges, there are two key priority areas that the JAN transformation programme are focussed on in the new year:
- Testing and implementation of the new banded funding model; and
 - Provision of significant increase specialist places.
- 4.2. In relation to the **banded funding model** we have completed the first two phases of work, which involved finalising the descriptors and developing example provision maps. Attached are the finalised descriptors (appendix B) that have been through extensive consultation with key stakeholders across the system.

- 4.3. Also attached to this report are example provision maps (appendix C) that have been developed and costed with school leaders.
- 4.4. The next phase which will take place across the spring term is to work with a number of individual schools to test the descriptors and develop provision maps for existing pupils/students with EHCPs. This will enable us to:
- Test the descriptors are working as intended;
 - Understand the process and time required to develop provision maps and ensure they align with the existing resourcing of the EHCP;
 - Test the model in partnership with schools and parents and carers to ensure that the transition to the new model is seamless and doesn't negatively affect provision. This will help inform the wider roll out.
 - Align the costing of provision maps with the descriptors to assess level of funding required for each band and how this aligns with exiting funding levels.
- 4.5. Assuming that testing and implementation works well, we would be aiming for a wider roll out of the new system from September 2022.
- 4.6. The rising levels of need are placing significant pressure on the availability **specialist places**. In addition to the planned opening of the new SEMH specialist provision in Brockworth, which will provide an additional 80 places, we are looking at how we can significantly increase specialist places in the coming years.
- 4.7. The data indicates that, should trends continue as they are, we will need to commission at least 100 places a year. To address this level of need we will:
- explore the immediate expansion of specialist provision through use of existing school properties;
 - Plan the build of 2 new special schools, initially through the free school programme bidding process;
 - Explore the potential to extend the use of resource bases attached to mainstream provision, particularly at secondary, where there is currently only one resource base in operation (there are 6 primary bases).
- 4.8. This provision is essential to ensure that we are able to limit the use of high-cost independent placements as EHCP numbers continue to rise.
- 4.9. A detailed plan is being developed so that we can consult with key stakeholders on the development and implementation of these plans.
- 4.10. This expansion of specialist provision is supported by government policy and the recent announcement to invest £2.6b into specialist capital funding.

Appendix A

High Needs Block: Five Year Model Data for DfE Template		Draft Format v4			Updated		05/01/2022			
Finance Summary	SUMMID	2018/19	2019/20	2020/21	2021/22 M09 Outturn Forecast	2022/23 Mitigated Projected Outturn	2023/24 Mitigated Projected Outturn	2024/25 Mitigated Projected Outturn	2025/26 Mitigated Projected Outturn	2026/27 Mitigated Projected Outturn
High Needs Block Heading		Outturn Confirmed £000	Outturn Confirmed £000	Outturn Confirmed £000	£000	£000	£000	£000	£000	£000
Alternative provision - places & top ups & services	APO		5,440.1	5,120.4	4,994.2	4,994.2	4,994.2	4,994.2	4,994.2	4,994.2
Alternative provision - Glos Hospital Education	HES		1,721.3	1,677.8	1,957.7	1,957.7	1,957.7	1,957.7	1,957.7	1,957.7
EHCP Costs - College and FE	P16		6,629.4	6,563.6	8,312.8	9,472.4	10,763.6	11,638.4	12,655.1	13,772.7
EHCP Costs - Secondary Post 16	MSS16		266.0		527.7	518.2	526.8	535.6	544.7	554.0
EHCP Costs - Early Years	MSE		230.0	182.5	275.8	282.1	289.2	296.4	303.9	311.5
EHCP Costs - Primary	MSP		7,032.1	7,390.8	8,345.6	8,793.9	9,499.1	10,261.4	11,085.3	11,975.8
EHCP Costs - Secondary	MSS		3,424.5	4,539.9	5,030.6	5,630.6	6,486.0	7,473.2	8,612.8	9,928.3
Excluded pupils	EXC		(185.9)	(49.8)	(216.9)	(216.9)	(216.9)	(216.9)	(216.9)	(216.9)
LA Services and staffing	LAS		3,738.0	3,883.6	3,915.9	4,094.3	4,274.1	4,455.6	4,638.7	4,823.5
Independent Special Schools	ISS		12,409.0	15,213.0	17,236.9	16,996.4	18,251.9	19,125.9	19,772.8	21,428.5
Restorative Practice	RP		172.6	196.9	199.9	203.9	208.0	212.2	216.4	220.8
Special Centres- Primary	SENUP		576.3	556.8	570.3	654.6	654.6	654.6	654.6	654.6
Special Centres- Secondary	SENUSS		109.6	99.4	101.5	108.4	110.8	110.8	110.8	110.8
Special School Provision- Place Funding	SPECPLA		11,911.6	12,854.1	13,599.1	14,428.1	15,402.1	16,355.2	17,310.3	18,207.3
Special School Provision- Top-up Funding	SPECTU		10,581.4	12,544.2	13,412.1	15,011.5	16,405.8	18,098.3	19,982.3	21,820.5
Special School Teachers Pay and Pension	SPECTPP		-	-	782.5	983.5	1,022.4	1,076.6	1,150.7	1,219.5
Support Services	SUPPS		1,001.7	965.1	1,136.7	1,159.4	1,182.6	1,206.3	1,230.4	1,255.0
Virtual School	VS		587.8	608.6	620.3	657.7	695.3	733.2	771.4	809.8
High Needs Unallocated	UA	61,801.9	61.8		-	-	-	-	-	-
Commissioning (ISS)	COMM		29.5	30.1	30.1	30.7	31.4	32.0	32.6	33.3
PROJECTED IMPACT OF OVERALL CHANGE IN EHCP NUMBERS	-10		-	-	-	(160.1)	(158.0)	(160.0)	(160.8)	(161.5)
Rounding		0.4	(0.2)		(0.1)	-	-	-	-	-
Total Cost		61,802.3	65,736.6	72,377.0	80,832.8	85,600.5	92,380.9	98,841.0	105,647.1	113,699.6
Funding B/fwd		55,225.4	58,918.7	59,895.3	67,258.0	74,995.3	83,090.3	90,251.3	97,439.3	104,675.0
Increases/ Projected Increases (High Needs Block)			(1,640.8)	4,477.4	6,240.7	6,968.0	6,000.0	6,000.0	6,000.0	6,000.0
Increases/ Projected Increases (Transfer from Schools Block)				882.5	643.0	530.0	530.0	530.0	530.0	530.0
Recoupment Funding- Base		3,693.3								
Recoupment Funding-Modelled Increase (assume funded 100%)			2,617.4	2,002.8	853.6	597.0	631.0	658.0	705.7	756.6
Final/ Projected Final Funding		58,918.7	59,895.3	67,258.0	74,995.3	83,090.3	90,251.3	97,439.3	104,675.0	111,961.6
<i>check net of recoup.</i>		55,225.4	53,584.6	58,944.5	65,828.2					
Deficit for Year		2,883.6	5,841.3	5,119.0	5,837.5	2,510.2	2,129.6	1,401.7	972.1	1,738.0
Impact of 22/ 23 Additional Supplementary Grant						(2,989.0)				
Cumulative Deficit bf			2,883.6	8,724.9	13,843.9	19,681.4	19,202.6	21,332.2	22,733.8	23,706.0
Cumulative Deficit cf		2,883.6	8,724.9	13,843.9	19,681.4	19,202.6	21,332.2	22,733.8	23,706.0	25,443.9

