

High Needs Report

Schools' Forum Date	16 th June 2022
Type of Decision	For discussion and approval
Background Documents	Inclusion Strategy SEND Strategy SEND Green Paper
Authors	Philip Haslett, Head of Education Strategy and Development
Purpose of Report	<p>To provide Schools Forum members with a draft outturn for the High Needs Block in 2021/22.</p> <p>To seek approval for the proposed 2022/23 High Needs budget, including proposed uplifts to mainstream and specialist top-ups levels.</p> <p>To update on local and national developments to address and provide appropriate support for the rising levels of children and young people with SEND.</p>
Key Recommendations	
Resource Implications	

1. High Needs: Draft Outturn for 2021/22

1.1. Fig.1 below provides details of the draft outturn for the High Needs Budget in 2021/22. This shows several significant variances that developed throughout the year. The key variations to note are:

- Alternative Provision underspent by £623k. This is a continued impact of the COVID-19 pandemic meaning that we have had lower than expected pupils in the centres for the first half of the year.
- EHCP costs for college and FE placements increased significantly this year. At the end of the academic year FE and College placements had increased by 87 places from 510 to 597, resulting in an overspend of £1,485m. This partly due to the increasing number of EHCPs in the mainstream, but also the increased effectiveness of our work to support those at risk of becoming NEET (Not in Employment Education or Training).
- Primary and Secondary mainstream top-up budgets both overspent, due to increased numbers of EHCPs issued. It should be noted that this is despite delays in the issuing of plans, which has created a lag in the system.
- Special school places increased over the course of the year, with several schools operating flexibly to work above commissioned numbers, this resulted in an overspend of £864k. This helped keep independent school provision closer to budget, with a £322k overspend. With such significant increases in EHCP requests, keeping the independent budget so close to forecast is a positive outcome and is a consequence of the flexibility and support mainstream and special schools have shown in meeting children's needs.

Fig.1

High Needs Block	Budget £000	Outturn £000	Variance £000
Alternative provision - places & top ups & services	5,470.8	4,846.9	-623.9
Alternative provision - Glos Hospital Education	2,030.7	1,942.1	-88.6
EHCP Costs - College and FE	4,698.9	6,184.0	1,485.1
EHCP Costs - Early Years	233.5	294.3	60.8
EHCP Costs - Primary	7,882.3	8,570.1	687.8
EHCP Costs - Secondary	5,226.0	5,710.9	484.9
Excluded pupils	-100.0	-216.3	-116.3
LA Services and staffing	3,831.9	3,816.9	-15.0
Independent Special Schools	17,262.7	17,585.4	322.7
Restorative Practice	200.0	204.0	4.0
Special Centres	326.3	305.6	-20.7
Special school provision	20,948.2	21,812.5	864.3
Support Services	1,325.1	1,187.1	-138.0
Virtual School	620.3	581.6	-38.7
High Needs Unallocated	-4,093.3	0.0	4,093.3
Rounding	-0.1	0.1	0.2
	65,863.3	72,825.2	6,961.9

1.2. The result of the variations in budget performance identified above, is a £6,961m overspend, against the planned overspend of £4,093m. A £2,868m variance to planned budget. This is driven entirely by the rising number of funded EHCPs in the system.

Forum members are asked to note the draft outturn for 2021/22 and consider any questions or feedback they have on the variations seen throughout the year.

2. Education Health and Care Plan trends

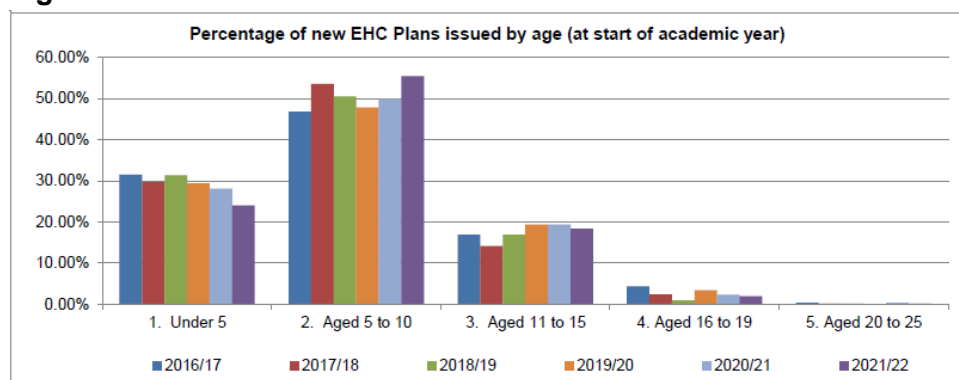
2.1. Fig.2 provides the most recent update on EHCP numbers supported across the county. Forum members will note that the net increase in EHCPs between January 2021 and January 2022 is 522. This is above historic trends, which pre-Covid were operating at around a net increase of 350 a year. This trend has progressed with net increase of 410 plans in 2020/21 and 522 in 2021/22.

Fig.2

Snapshot as at:	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22	Current - 01/05/2022	Trend (current compared to Jan. 20)
Number of children and young people for whom the LA maintains a Statement of SEN or an EHC Plan (0-25)	3,290	3,658	3,922	4,332	4,854	5,004	↑
% of population with a statement of SEN or an EHC Plan*	1.9%	2.1%	2.2%	2.5%	2.8%	2.8%	↑
% of population - National comparison	1.9%	2.1%	2.3%	2.6%	tbc		↑
% of population - Statistical Neighbour comparison	2.0%	2.3%	2.5%	2.6%	tbc		↑
<small>* 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.</small>							
Number of children and young people with a Statement of SEN or an EHC Plan (0-25) not maintained by the LA	84	98	89	84	118	130	↑

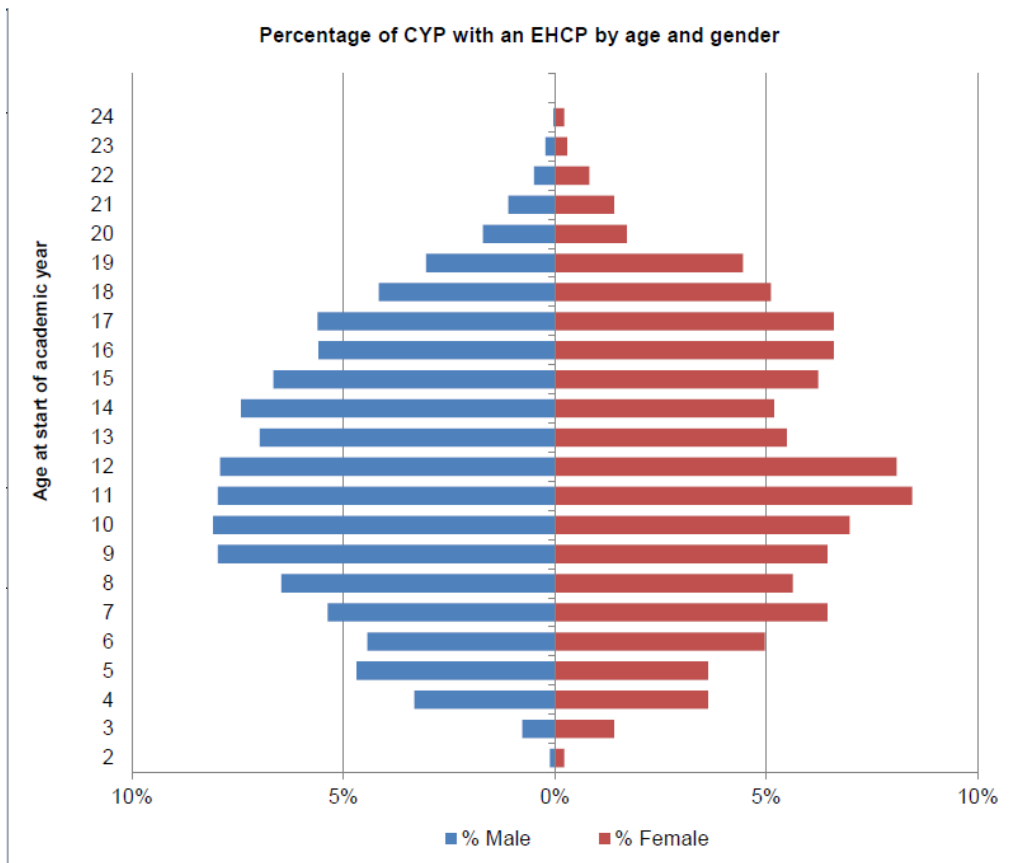
2.2. The profile of new plans being issued is heavily weighted in the primary sector as exemplified in fig.3. This of course has a long-term impact, as the EHCP, generally stays in place throughout statutory education.

Fig.3



2.3. Fig.4 below shows the current spread of EHCPs by age and gender and raises concern that the level of need moving into post-16 that we saw last year will likely continue as a 'norm' for future years. We have budgeted as such for 2022/23.

Fig.4



2.4. The final change in trends that is worth noting is the source of EHCP requests. In the last 2 years we have seen a steady rise in the percentage of requests from parents. This alongside the increase in total requests, shows a significant change in the point of referral for an EHCP. Fig.5 shows the percentage of requests and fig.6 the number of new requests for this academic year (data is from 1st May). By the end of the academic year, we expect 2021/22 to have progressed beyond 900 requests.

Fig.5

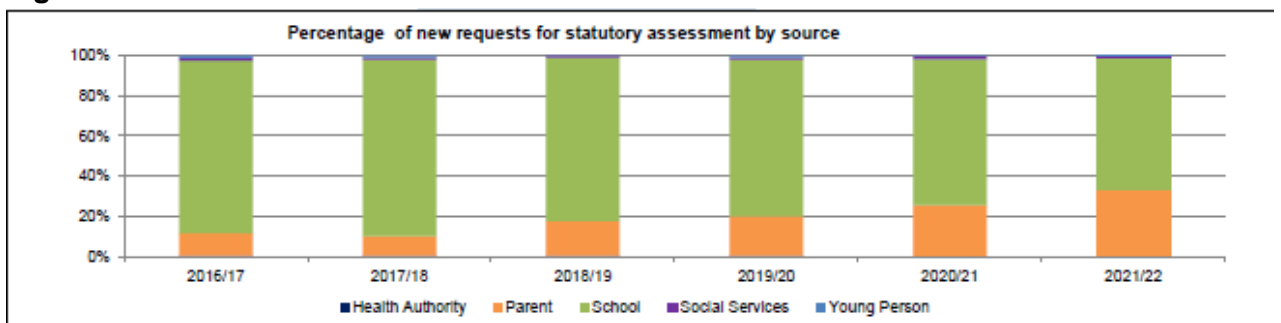
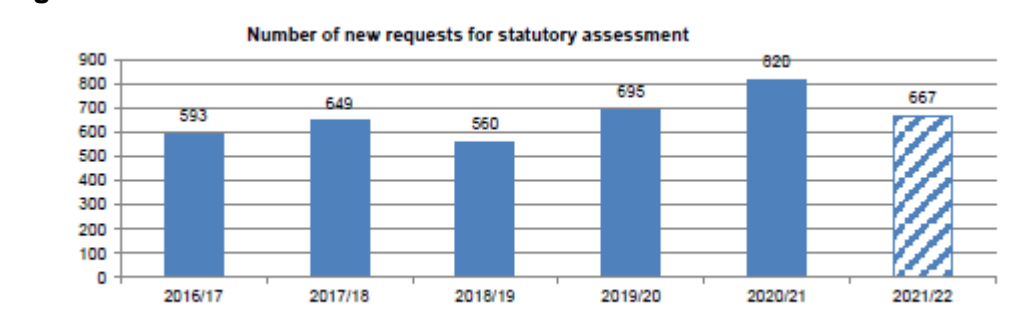


Fig.6



- 2.5. It should be noted that the increasing number of children and young people requiring statutory support through an EHCP remains a national issue and that Gloucestershire has remained slightly below National and statistical trends for EHCPs for some years. This is shown in fig.1, where the percentage of children with an EHCP in January 2021 was 2.5% compared to 2.6% for national and statistical neighbours. Local data now shows that 2.8% of the pupil population have an EHCP, whilst national and statistical neighbour data has not been published we expect it to be in line with Gloucestershire.

Forum members are asked to review the EHCP data detailed above and to ask any questions or provide any feedback at the meeting.

3. The SEND Green Paper and Gloucestershire's SEND and Inclusion Strategies

- 3.1. The recent publication of the SEND Green Paper outlines the governments thinking regarding the development of the SEND system, much of which aligns with our local plans outlined in the SEND and Inclusion strategies. We particularly welcome:
- The emphasis on early intervention – “the right support, in the right place at the right time”.
 - A stronger emphasis on the importance and value in high quality and effective alternative provision.
 - The development of National Standards, which, alongside a standardised and digitised process, we believe has the potential to create a much stronger, clearer and consistent national SEND process.
 - Local SEND partnerships with stronger accountability linked to the National Standards and greater clarity over the role of Health and Care.
 - The focus on improving and streamlining the process for redress to reduce the need for costly and time-consuming tribunals.
- 3.2. Forum members will also note that the green paper references the implementation of a national banding system for funding. This is a development we will monitor closely if it moves from the green paper into policy. However, we will continue to progress the local development of a banding system.
- 3.3. We are also progressing plans to provide non-statutory funding from September 2022. The SEND team are developing a proposed model, which we will share with the Forum working group and the heads associations later this summer. We were aiming to deliver this once the new banding system was in place but realise there is a pressing need to move this forward, so will undertake a pilot using a test and learn approach, during terms 1 and 2.
- 3.4. As part of our current strategy, we are committing to the delivery of new specialist provision. The new [Brook Academy Special School](#) has a full intake and will open in September 2022. In addition we are running a [competition](#) for a new school in Stroud, which makes use of existing accommodation, and as such can open in September 2023.
- 3.5. The new inclusion and SEND strategies will be discussed and agreed at the June Cabinet meeting. Once approved we will develop a comprehensive implementation plan, which we will share with Schools Forum and the Heads Associations.
- 3.6. The implementation of the strategies, alongside national changes, will be critical in improving early intervention and reducing the need for high cost placements, which we

believe is the only sustainable way to reduce the financial pressures, whilst maintaining and improving our offer to children and young people and parents and carers.

Forum members are asked to consider the SEND Green Paper, the local strategies and associated priorities and bring any questions or feedback to the meeting.

4. Funding levels for High Needs

- 4.1. Whilst we recognise the benefits that the proposed developments in the Green Paper and our local strategies can have on the long-term sustainability of the High Needs block. We remain concerned that there will remain a short-term need that will continue to raise local and national deficits. Following the deficit accrued last year, Gloucestershire has a High Needs deficit of £20,805m. As discussed at previous meetings this is in no way a local issue, in fact Gloucestershire remains in a better financial position than many local authorities.
- 4.2. However, as we are in a deficit we have agreed to participate in the delivering better value in SEND programme. I have included the initial paperwork as Annex A, so that members can get an understanding of the process and our place in this. This should not be confused with the [Safety Valve programme](#), to which 14 LA's have been invited this year.
- 4.3. Again, the focus of the programme will be sustainable long-term change, there are no 'quick fixes'. As such, we believe the government needs to continue to invest in the High Needs Block at, at least the current levels, to ensure developments can embed and have an impact.
- 4.4. We also believe that the Government should consider a full review of the equity of high needs funding across the country. Fig.7 is a summary of F40 members and the average per pupil funding they receive through the High Needs block. It also shows the highest level of per pupil funding.

Schools Block With Supplementary Grant										Ranking	
Region	LA number	LA name	Total mainstream pupils	Schools Block	High Needs Block	Schools Block per pupil	High Needs Block per pupil	Schools Block per pupil	High Needs Block per pupil	f40 member	
Yorkshire & the Humber	811	East Riding of Yorkshire	41,751.50	224,070,748	34,469,566	5367	826	47	1	Y	
South West	908	Cornwall	70,079.50	379,557,370	67,317,640	5416	961	57	7	Y	
Yorkshire & the Humber	815	North Yorkshire	74,124.00	407,980,003	71,300,781	5504	962	74	10	Y	
North West	358	Trafford	37,851.00	199,780,264	36,667,827	5278	969	22	11	Y	
North West	877	Warrington	30,286.50	160,229,711	29,388,189	5290	970	24	12	Y	
West Midlands	893	Shropshire	36,456.50	195,299,153	35,754,110	5357	981	40	13	Y	
Yorkshire & the Humber	384	Wakefield	48,889.00	262,145,482	48,323,735	5362	988	45	15	Y	
South East	850	Hampshire	176,205.50	917,877,926	176,138,429	5209	1000	6	17	Y	
East of England	823	Central Bedfordshire	40,730.00	212,917,494	40,934,452	5228	1005	10	18	Y	
North West	895	Cheshire East	50,242.00	261,962,097	50,668,661	5214	1008	7	20	Y	
South West	865	Wiltshire	64,246.00	338,043,644	65,105,238	5262	1013	19	22	Y	
North West	359	Wigan	45,002.50	241,844,065	45,620,718	5374	1014	50	23	Y	
East Midlands	830	Derbyshire	98,743.00	541,117,174	100,295,200	5480	1016	68	24	Y	
West Midlands	860	Staffordshire	112,560.00	591,362,635	114,838,773	5254	1020	17	26	Y	
East Midlands	941	West Northamptonshire	59,393.50	320,343,148	60,943,544	5394	1026	54	27	Y	
South West	916	Gloucestershire	82,134.00	440,335,519	84,309,592	5361	1026	44	28	Y	
South East	938	West Sussex	109,071.50	569,531,832	112,285,704	5222	1029	9	29	Y	
East of England	935	Suffolk	93,249.00	496,656,963	96,107,894	5326	1031	28	30	Y	
West Midlands	884	Herefordshire, County of	22,240.50	119,840,651	22,988,024	5388	1034	53	31	Y	
East Midlands	940	North Northamptonshire	49,668.50	262,199,934	52,005,755	5279	1047	23	34	Y	
Yorkshire & the Humber	813	North Lincolnshire	23,440.50	128,624,176	24,687,888	5487	1053	69	35	Y	
South East	931	Oxfordshire	87,162.50	459,620,936	91,845,019	5273	1054	21	36	Y	
West Midlands	885	Worcestershire	74,018.50	394,364,371	78,325,147	5328	1058	31	37	Y	
North West	356	Stockport	40,186.00	210,524,258	42,816,539	5239	1065	12	39	Y	
West Midlands	334	Solihull	35,400.00	191,047,133	37,859,336	5397	1069	55	40	Y	
South West	878	Devon	91,811.00	489,053,736	100,239,922	5327	1092	29	42	Y	
West Midlands	937	Staffordshire	77,804.00	409,374,173	85,477,271	5262	1099	18	44	Y	
Yorkshire & the Humber	816	York	22,856.50	118,111,837	25,180,916	5168	1102	3	45	Y	
South West	933	Somerset	67,451.00	361,455,668	75,300,232	5359	1116	42	51	Y	
North West	896	Cheshire West and Chester	46,031.50	245,879,431	51,607,992	5342	1121	36	53	Y	
South West	838	Dorset	43,217.50	232,597,947	48,571,995	5382	1124	51	55	Y	
East of England	873	Cambridgeshire	82,688.50	434,000,040	94,143,057	5249	1139	14	63	Y	
South East	845	East Sussex	63,417.00	340,297,440	74,454,124	5366	1174	46	68	Y	
North East	929	Northumberland	38,925.50	214,550,163	46,143,919	5512	1185	79	71	Y	
East Midlands	925	Lincolnshire	97,173.00	533,232,769	115,243,230	5487	1186	70	72	Y	
South West	803	South Gloucestershire	37,155.50	191,029,427	44,567,614	5141	1199	1	77	Y	
South West	879	Plymouth	34,777.00	189,959,901	42,443,453	5462	1220	66	85	Y	
South West	866	Swindon	33,034.00	174,152,762	42,323,518	5272	1281	20	102	Y	
South East	886	Kent	217,002.50	1,161,917,383	282,080,164	5354	1300	39	106	Y	
South West	800	Bath and North East Somerset	24,018.50	127,425,035	32,453,512	5305	1351	26	116	Y	
South West	880	Torbay	17,458.50	94,563,663	24,402,756	5416	1398	58	121	Y	
South East	825	Buckinghamshire	75,884.50	398,422,722	111,851,583	5250	1474	15	127	Y	
MAX (Schools)	211	Tower Hamlets	38,216.00	297,630,540	74,514,274	7788	1950	150	142	N	
MAX (High Needs)	202	Camden	17,930.50	128,034,389	50,014,615	7141	2789	146	150	N	
Percentage Difference between Min and Max						51.5%	237.9%				

4.5. This is a crude analysis but does make the case for further investigation into the significant variances that exist across the country. We would only need the same per-pupil funding as Somerset to be in a balanced in-year position.

4.6. This is an issue that we want to explore in more detail and develop a full understanding of the variations in funding. The working hypotheses is that this is locked in-equity from the formation of the Dedicated Schools Grant and the development of the High Needs funding formula.

Forum members are asked to consider how they can support in making the case for continued investment in High Needs and for a review of the Equity of funding.

5. Proposed High Needs Budget for 2022/23

5.1. Detailed below is the proposed High Needs budget for 2022/23. This is in a different format than previous budgets, to help provide a better breakdown of expenditure for members. The 2022/23 budget sits alongside the 2021/22, to show the planned progression of expenditure.

Finance Summary	2021/22	2022/23
High Needs Block Heading	Outturn Confirmed	Budget
	£000	£000
Mainstream EHCP Costs - Early Years	294.3	383.7
Mainstream EHCP Costs - Primary	8,570.1	9,314.1
Mainstream EHCP Costs - Secondary	5,159.0	5,187.5
Mainstream EHCP Costs - Secondary Post 16	551.9	443.1
Special Centres- Primary	536.1	629.2
Special Centres- Secondary	101.8	137.2
Special School Provision- Place Funding (LA)	6,945.8	7,334.2
Special School Provision- Place Funding (ESFA)	6,620.0	7,028.3
Special School Provision- Top-up Funding	14,052.0	15,112.0
Independent Special Schools- Joint Funded	3,428.9	3,812.7
Independent Special Schools- LA 100% Funded	14,126.4	14,419.8
EHCP Costs - College and FE	8,348.0	10,098.5
Alternative provision - places & top ups & services	4,862.7	5,504.3
Alternative provision - Glos Hospital Education	1,942.1	2,068.9
Excluded pupils	(216.3)	(100.0)
LA Services and staffing	3,849.1	3,975.5
Restorative Practice	204.0	200.0
Special School Teachers Pay and Pension	782.5	940.3
Support Services	1,187.1	2,274.1
Therapies and other health related costs		71.6
Virtual School	581.6	629.9
High Needs Unallocated		-
Commissioning (ISS)	30.1	30.7
Total Cost	81,314.2	89,495.9
Funding B/fwd	66,375.5	74,352.4
Increases/ Projected Increases (High Needs Block)	7,158.3	6,415.7
22/23 Supplementary Grant (assume rolled into DSG from 23/24)		2,989.0
Transfers from Schools Block during period		307.5
Recoupment Funding- Base		
Recoupment Funding-Modelled Increase (assume funded 100%)	818.6	552.5
Funding c/fwd (DfEE)	74,352.4	84,617.1
Deficit for Year	6,961.8	4,878.8
Cumulative Deficit bf	13,843.9	20,805.7
Cumulative Deficit cf	20,805.7	25,684.5

- 5.2. The proposed budget assumes a continued rise in the number of EHCPs that we are supporting. It also reflects a continued increase in the need for support for post-16 and further education.
- 5.3. The proposed budget also includes an increase to mainstream EHCP top-ups of 3%. The cost of which is estimated to be £250,009 for secondary and £409,820 for primary. A total of £659,829.
- 5.4. In addition, we are proposing a 7% increase to specialist top-up funding. This is comprised of a 4% increase to core funding for inflation, staff costs etc and a 3% increase from the supplementary grant to reflect the national insurance levy. The total cost of this increase is £1,230,452.
- 5.5. Both of these top-up budgets have been frozen for 6 of the last 8 years and as such we recognise the need to provide an appropriate increase, so that schools are better able to meet the needs of children and young people with an EHCP.

Forum members are asked to review the proposed budget for 2022/23 and confirm their support for:

- **A 3% increase to mainstream EHCP top-up funding;**
- **A 7% increase to Special School top-up funding; and**
- **A planned deficit budget of £4,878m**