

## High Needs Report

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| <b>Schools' Forum Date</b>   | 14 <sup>th</sup> September 2023  |
| <b>Type of Decision</b>      | For information  |
| <b>Background Documents</b>  | <a href="#">Inclusion and SEND Strategies</a>  |
| <b>Authors</b>               | Philip Haslett, Head of Education Strategy and Development   |
| <b>Purpose of Report</b>     | <ul style="list-style-type: none"><li>• To provide an update on the high needs financial forecast for 2023/24.</li><li>• To update on the current numbers of Education Health and Care Plans and the forecast growth trends.</li><li>• To provide an update on key activity to address overspend, including the implementation of the Inclusion and SEND strategies and the engagement with the DfE change programmes.</li></ul> |
| <b>Key Recommendations</b>   | <p>There are no recommendations in the report. Members are asked to note and provide feedback on:</p> <ol style="list-style-type: none"><li>1. The current High Needs block forecast for 2023/24</li><li>2. The continued growth in EHCP numbers</li><li>3. The proposed funding consultation for schools</li></ol>  |
| <b>Resource Implications</b> | The forecast deficit for the High Needs budget has increased by £906k to £13.7m  |

## 1. High Needs Budget forecast for 2022/23

1.1. At Schools Forum in July 2023, we set a forecast deficit budget of £12.819m for the High Need Block. This was based on the following core assumptions:

- Mainstream EHCP growth numbers are modelled based on the 2022/23 growth rather than historic trends, as there has been no sign in the request or issuing of new EHCPs abating.
- The Local Authority has taken the decision to reduce the 1 in 40 model to 1 in 30 and put a protection in place. This will reduce the growth in the cost of this targeted support model, whilst ensuring that no school is worse off, in cash terms, than 2022/23.
- Special school places and top-ups have been increased based on planned growth of 71 specialist places to 1,466. This includes continued growth of the Brook Academy, the opening of Sladewood Academy and the expansion of existing provision (Heart of the Forest).
- All specialist budgets, including Alternative Provision and Hospital Education, incorporate inflationary uplifts of 3.4% as prescribed in [Annex 2 of the High Needs funding arrangements for 2023/24](#).
- The joint funded independent placement budget shows a reduction expenditure, due to a number of high-cost placements that have ceased or are ceasing this year.
- The independent school budget only shows an increase in planned expenditure of £445k. However, a number of bespoke placements have been moved to the EOTAS budget, which accounts for the significant increase in expenditure on the EOTAS budget (852k). This means the real increase in cost for independent placements is forecast to be around £1.3m. The budget also includes a contingency for a 5% inflationary uplift. These are negotiated on an individual basis with providers.
- All staffing budgets have a 2% inflationary increase included.

1.2. In early forecasts there has been some movement in expenditure in a number of budget lines, shown in fig.1. The key variances are:

- An increase expenditure of £165k for secondary mainstream EHCP top-up costs. This is driven by an increase in the average cost of the plans to support children and young people awaiting a special school placement.
- Special school top up funding has been forecast to increase by £230k. This is again driven by an increase in the average cost of placements, due to an increased complexity of the special school cohort.
- This increased complexity has also seen a rise in the number of bespoke packages that have been agreed with special schools and as a consequence a forecast increase in spend of £290k
- Alternative provision budgets are both forecasting to increase by £179k collectively. Hospital Education is due to high volume of referrals and the APS

school (Altus opened on 1st September 2023), due to the one off costs associated to the change programme (further details in the report below).

- Finally, we have also seen a rise in requests for Education Other Than At School (EOTAS), which has seen a further adjustment of £200k to this budget.
- These rises are partially offset by savings in special school place funding, joint funded independent placements, LA staffing and services and other additional packages of support, totalling £243k
- Overall, the forecast in fig.1 is showing a variance to the planned deficit budget of £906k. Much of this is driven by initial forecasts for the September 2023 cohort (including phase transfers), moving from forecast to actual placements.

**Fig.1**

| <b>High Needs Block</b>                             | <b>Budget</b>    | <b>Forecast</b>  | <b>Variance</b> |
|---|------------------|------------------|-----------------|
|   | <b>£000</b>      | <b>£000</b>      | <b>£000</b>     |
| Mainstream EHCP Costs - Early Years                 | 636.3            | 636.3            | 0.0             |
| Mainstream EHCP Costs - Primary                     | 13,040.1         | 13,040.1         | 0.0             |
| Mainstream EHCP Costs - Secondary                   | 6,765.2          | 6,930.2          | 165.0           |
| Mainstream EHCP Costs - Secondary Post 16           | 435.0            | 435.0            | 0.0             |
| Special Centres - Primary                           | 777.2            | 777.2            | 0.0             |
| Special Centres - Secondary                         | 120.9            | 120.9            | 0.0             |
| Special School Provision - Place funding (LA)       | 15,563.8         | 15,422.1         | -141.7          |
| Special School Provision - Place funding (ESFA)     | 0.0              | 0.0              | 0.0             |
| Special School Provision - Top-up funding           | 17,777.6         | 18,007.9         | 230.3           |
| Independent Special Schools - Joint Funding         | 17,530.5         | 17,502.9         | -27.6           |
| Post 16 Independent School Placements               | 1,893.0          | 1,893.0          | 0.0             |
| EHCP Costs - College and FE                         | 12,438.1         | 12,473.9         | 35.8            |
| Alternative provision - places & top ups & services | 5,487.2          | 5,571.2          | 84.0            |
| Alternative provision - Glos Hospital Education     | 2,442.0          | 2,537.1          | 95.1            |
| Excluded pupils                                     | -100.0           | -100.0           | 0.0             |
| LA Services and staffing                            | 4,451.6          | 4,411.5          | -40.1           |
| Restorative Practice                                | 200.0            | 200.0            | 0.0             |
| Special School Teachers Pay and Pensions            | 971.3            | 971.3            | 0.0             |
| Other additional packages of support                | 980.8            | 946.7            | -34.1           |
| Education other than at school (EOTAS)              | 1,366.8          | 1,566.8          | 200.0           |
| Special School Bespoke Packages                     | 1,000.0          | 1,290.0          | 290.0           |
| Support Services                                    | 1,147.1          | 1,186.9          | 39.8            |
| Therapies and other health related costs            | 263.3            | 263.3            | 0.0             |
| Virtual School                                      | 654.9            | 664.8            | 9.9             |
|   | <b>105,842.7</b> | <b>106,749.0</b> | <b>906.3</b>    |

**Forum members are asked to note the current High Needs forecast and raise any questions or points of clarification that arise from it.**

## **2. Education Health and Care Plans (EHCPs)**

- 2.1. There have been no material changes in the EHCP growth trends since we last reported to Schools Forum in July. The number of children supported by a statutory

education health and care plan continues to rise, predominantly through requests for new plans for children aged 0-10.

- 2.2. The latest dataset (fig.2) includes updated national and statistical neighbour comparator data for January 2023. This shows that despite the continued growth, Gloucestershire still has proportionally less EHCPs per 1000 than both comparators and the rate of growth has also been slower. Locally the rate of growth between January 2022 and January 2023 was 2.5 per 1000, compared to 2.6 nationally and 3.5 per 1000 for statistical neighbours.
- 2.3. Overall, we have a solid view of the growth trends locally and we are in no way an outlier. The current trend is in line with the assumptions that underpin the budget forecast in fig.1. At this stage, variance in expenditure is predominantly driven by the cost of placements, rather than a further change in EHCP growth.

**Fig.2**

| Snapshot as at:   | Jan-19 | Jan-20 | Jan-21 | Jan-22 | Jan-23 | Current - 01/08/2023 | Trend (current compared to Jan. 22) |
|---|--------|--------|--------|--------|--------|----------------------|-------------------------------------|
| Number of children and young people for whom the LA maintains a Statement of SEN or an EHCP (0-25)          | 3,658  | 3,922  | 4,332  | 4,854  | 5,289  | 5,626                | ↑                                   |
| Year on year % change   |        | 7.22%  | 10.45% | 12.05% | 8.96%  | 6.37%                | ↑                                   |
| Rate per 1,000 of 0 to 24 year olds with an EHCP - Gloucestershire  | 20.8   | 22.3   | 24.9   | 27.9   | 30.4   | 32.3                 | ↑                                   |
| Rate per 1,000 of 0 to 24 year olds with an EHCP - National   | 21.1   | 23.2   | 26.2   | 28.8   | 31.4   |                      | ↑                                   |
| Rate per 1,000 of 0 to 24 year olds with an EHCP - Statistical Neighbours                                   | 25.3   | 23.0   | 28.4   | 31.6   | 35.1   |                      | ↑                                   |
| Number of children and young people with a Statement of SEN or an EHCP Plan (0-25) not maintained by the LA | 98     | 69     | 84     | 118    | 151    | 164                  | ↑                                   |

### 3. Delivering Better Value in SEND and the DSG management plan

3.1. We are now in the final stages of the DBV grant application. The proposal shared at the last Forum has now been through the first phase of assurance with the DfE and has been granted approval. At the last Forum it was agreed that the grant would support:

- The design, development and implementation of a SEND and Inclusion programme; and
- The improvement of specialist commissioning and advice and guidance for post-16 provision.

3.2. We are now going through the final stage of assurance, in which the DfE have asked us to review 5 areas where they believe there is potential for further mitigation that could have an impact on the 5-year plan. These are:

- Whole school inclusion funding to support schools and settings with high level of need. This is the work that we are doing to change the current 1 in 30 model and is covered in more detail in the draft consultation paper.
- Further increase in specialist places across the local area. Following the unsuccessful free school bids seeking 400 additional places, we currently have plans in place to deliver half of those places. The DfE are keen to understand how we intend to deliver the rest. This has been an area of significant challenge, as we are investing all of our available capital funding into the new 200 place school.
- Changed model of support from Education Psychology (EP) service to schools. We have removed the traded function from the EP service through increased council funding. As such, the EP service will be allocating an EP to every school

and providing more time to support whole school practice. The expectation is that increased support could reduce the need for statutory support.

- Joint commissioning of support for children with SEND, ensuring there is appropriate contribution and support from Health and Care as part of the EHCP. Particularly in relation to section G of the plan.
- Speech and language and communication – EP and Advisory Teaching Service (ATS) will be providing ELKAN training to schools from Easter 2024.

- 3.3. We are currently reviewing these areas ahead of a required submission to the DfE on the 8th September. Once completed we will build our final changes into the 5-year financial model and the DSG management plan, which we will share at the November School's Forum meeting.
- 3.4. It should be noted that none of these mitigations are able to fully address the rising deficit that is accumulating. In our engagement with the DfE we have made it clear that locally, we are deeply concerned about the in-equity of funding and that the focus of the DBV programme looking at value for money exclusively through the expenditure lens, was a significant flaw. We will continue to ensure that the in-equity of funding is referenced at every opportunity.
- 3.5. Since the last Forum meeting, we have also been asked, and agreed to, participate in the DfE's SEND and AP change programme. The programme aims to demonstrate whether proposed system reforms will collectively drive the much-needed improvements in outcomes and experiences for children and young people with SEND or in AP and their families, whilst delivering a financially stable SEND and AP system, avoiding unintended consequences.
- 3.6. The programme is launching in the Autumn term and, as such, more information will be provided at the November School's Forum meeting.

#### **4. High Needs development work**

- 4.1. Progress on the delivery of the SEND and Inclusion strategies is overseen by the SEND and Inclusion Local Area Partnership (SILAP). There has been positive progress on a number of areas that affect the High Needs Block.
- 4.2. Special school capacity has increased from September 2023 with the further expansion of the Brook Academy as it moves towards operating at full capacity and the opening of the Sladewood School, operated by the SAND multi-academy trust. These additional specialist places will help reduce the need for independent placements, which on average will save around £25k per place every year.
- 4.3. Approval has been granted by Cabinet for the delivery of a new 200 place special school. A procurement process to identify a multi-academy trust to run the school will start shortly. The initial aim was to open the school in January 2026, but this may slip to after Easter, depending on the timeline for the build of the school.
- 4.4. On the 1st of September 2023 the Altus school opened its doors for the first time. This is a big step in the transformation of Alternative Provision in the county. We now have a single county wide provision commissioned by the Local Authority. This will

improve the consistency of the AP offer, but also enable a stronger focus on early intervention and meeting the needs of an increasingly complex cohort.

- 4.5. We are also moving forward with plans to change the targeted SEN support model, which provides additional funding to schools that support disproportionately high numbers of children and young people with additional needs. A draft consultation paper is included with this pack. The consultation paper also explores de-delegation for LA maintained schools and the current notional SEN formula.

**Members are asked to review the draft consultation paper and provide feedback in preparation for consultation with schools at the end of September.**