

## High Needs Report

<b>Schools' Forum Date</b>	18 <sup>th</sup> March 2024
<b>Type of Decision</b>	For information and decision
<b>Background Documents</b>	<a href="#">SEND Targeted Support Funding Model (High Needs working group paper)</a> <a href="#">High Needs Working Group Notes</a>
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<b>Purpose of Report</b>	<ul style="list-style-type: none"><li>• To provide a draft High Needs Budget for the financial year 2024/25</li><li>• To consider the impact of a 3% inflationary uplift to the SEND banding system, ahead of a decision by the Local Authority.</li><li>• To provide an update and make a decision on the delivery of a SEND targeted support funding model for mainstream schools</li></ul>
<b>Key Recommendations</b>	<ul style="list-style-type: none"><li>• Members are asked to review the proposed budget for 2024/25 and the associated assumptions and provide feedback to the local authority at the meeting.</li><li>• That the new SEND targeted support model is implemented in two phases, as detailed in paragraph 2.5.</li></ul>
<b>Resource Implications</b>	The proposed budget would set a £23.583m in-year deficit for the High Needs Block.

## 1. High Needs Budget for 2024/25

- 1.1. The initial draft of the High Needs budget for 2024/25 is detailed below. The budget has been built using the current forecast for 2023/24 as a baseline and utilising growth assumptions that broadly mirror the growth, we have seen in 2023/24.
- 1.2. It should be noted that the budget is draft, as it is still subject to local authority approval processes. At this stage we are seeking feedback from Forum members on the key assumptions being made.
- 1.3. Detailed in Fig.1 below is the draft 2024/25 budget, with variance to the 2023/24 planned budget and the most recent forecast.

**Fig.1**

<b>High Needs Block</b>	<b>2023/24 Budget</b>	<b>2023/24 Forecast</b>	<b>2024/25 Budget</b>	<b>Variance to 2023/24 budget</b>	<b>Variance to 2023/24 y/e forecast</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Mainstream EHCP Costs - Early Years	636.3	636.3	655.4	19.1	19.1
Mainstream EHCP Costs - Primary	13,040.1	13,141.2	14,423.7	1,383.6	1,282.5
Mainstream EHCP Costs - Secondary	6,765.1	7,130.6	7,861.1	1,096.0	730.5
Mainstream EHCP Costs - Secondary Post 16	435.0	435.0	441.8	6.8	6.8
Special Centres - Primary	777.2	893.4	906.9	129.7	13.5
Special Centres - Secondary	120.9	155.7	157.9	37.0	2.2
Special School Provision - Place funding (LA)	15,563.8	15,422.1	16,658.0	1,094.2	1,235.9
Special School Provision - Top-up funding	17,777.6	18,014.9	19,314.9	1,537.3	1,300.0
Independent Special Schools placements	19,627.2	21,761.8	23,470.5	3,843.3	1,708.7
Post 16 Independent School Placements	1,893.0	2,082.1	2,082.1	189.1	0.0
EHCP Costs - College and FE	12,438.1	12,473.9	14,632.2	2,194.1	2,158.3
Alternative provision - places & top ups & services	5,082.5	6,085.3	6,085.3	1,002.8	0.0
Alternative provision - Glos Hospital Education	2,442.0	2,551.3	3,051.3	609.3	500.0
Excluded pupils	-100.0	-442.7	-442.7	-342.7	0.0
LA Services and staffing	3,374.1	3,159.0	3,353.8	-20.3	194.8
Restorative Practice	200.0	200.0	304.2	104.2	104.2
Special School Teachers Pay and Pensions	971.3	971.3	971.3	0.0	0.0
Other additional packages of support	980.8	1,953.7	2,453.7	1,472.9	500.0
Education other than at school (EOTAS)	1,366.8	1,566.8	2,066.8	700.0	500.0
Special School Bespoke Packages	1,000.0	1,520.1	1,970.1	970.1	450.0
Support Services	411.5	421.4	323.2	-88.3	-98.2
Therapies and other health related costs	263.3	263.3	263.3	0.0	0.0
High Needs Unallocated	-11,835.0	-12,986.0			
Rounding	0.1	-0.1	-0.1	-0.2	0.0
	<b>93,231.7</b>	<b>97,410.4</b>	<b>121,004.7</b>	<b>15,938.0</b>	<b>10,608.3</b>
High Needs Funding Allocation			<b>97,421</b>		
			<b>-23,583.7</b>		

- 1.4. Members will note that the draft budget shows a gap of £23.583m between the expected levels of expenditure and the High Needs Funding allocation.
- 1.5. The mainstream and early years top-up budgets are modelled, assuming a similar growth in the number of funded Education Health and Care Plans that was experienced in 2023/24. In addition, it includes an assumption, subject to approval by the local authority, of a 3% increase in the banding levels. This results in an expected increase in spend of around £2m across the four budget lines.
- 1.6. Special school place funding is increased by £1.235m. This is driven by an increase of twenty-five places at the Brook School, thirteen places at The Peak and the full year impact of 50 places at Sladewood School. It also included capacity to extend early years specialist provision for 2024/25.

- 1.7. As a consequence of the additional places and the proposed increase in banding rates by 3%, the cost of EHCP top-ups for maintained schools is expected to rise.
- 1.8. As outlined above the assumptions for mainstream, post-16, early years, and special School top-ups include a 3% uplift to banding, which accounts for an £1.3m in spend. This is subject to approval by the local authority, but we are keen to seek feedback from forum members on the appropriateness of this level of inflationary increase. The proposed 3% increase is based on the assumptions that were agreed in the Delivering Better Value in SEND programme and subsequently included in the DSG management plan.
- 1.9. The independent schools' budget, including post-16 placements, is forecast to increase by £1.7m. This is assuming the cohort will increase from 344 pupils at the end of the 2023/24 financial year to 415 pupils by the end of 2024/25, with 106 new starters, 25 leavers. The modelling assumes that 71 of the new starters commence in September 2024 with the rest phased to start over the course of the Autumn and Spring terms.
- 1.10. We are proposing to retain the Alternative Provision budget at the same level as the forecast spend for 2023/24. Demand for services is high and the progression in requests for support through Section 19 for access to alternative education are expected to continue into 2024/25.
- 1.11. Pressures on Hospital Education services are also high, with an increasing number of children absent from school with mental health and anxiety related health conditions. Adjustments to the service offer are being made to strengthen support. As a consequence, the forecast expenditure has been increased by £500k.
- 1.12. LA staffing budgets have had a 3% inflationary increase applied to ensure that pay awards can be made without a reduction in the service offer.
- 1.13. Education Other Than At School (EOTAS), bespoke special school packages and other additional packages of support (personal budgets, tutoring and mentoring services) have all been increased in line with rising level of demand. This accounts for an expected increase in spend of £1.45m.
- 1.14. When comparing this to the DSG management plan forecast for 2024/25, forecast expenditure was £119.5m and income £95.8m, which showed a forecast deficit of £23.7m.

**Members are asked to review the proposed budget for 2024/25 and the associated assumptions and provide feedback at the meeting.**

## **2. SEND Targeted Support Funding Model**

- 2.1. Attached to this report is a briefing paper that was shared with the High Needs working group, which explores; the background to the current model (1 in 30); why we are proposing to change the model; and the modelling and options appraisals that we have considered.
- 2.2. Also attached to this report are the notes from the High Needs working group, which capture feedback from facilitated table discussions and the final feedback session.

2.3. The modelling that has been undertaken and the working group session have been really helpful in exploring the benefits and potential challenges in making changes to the existing model. In making decisions about the next steps we have, taken particular note of the following feedback and views:

- There has been general consensus that any changes to the model should be carefully implemented to avoid schools currently in receipt of funding seeing a significant shift in funding, particularly for 2024/25.
- That it is understood why the Local Authority is seeking an element of control over the expenditure levels and that the proposed model can deliver this control through the agreement of a fixed budget.
- That the additional control provided by the proposed model would enable the Forum to agree how the funding is apportioned to the primary and secondary phases. This is seen as a real positive of the proposed model.
- That, given the level of funding being provided to some schools, it is appropriate to seek clarity and feedback on the impact the funding is having for the children and young people in the school. Of course, for those receiving much lower levels of funding, reporting on impact could be very limited.
- That a longer-term allocation of funding (2 to 3 years) would be well received and enable more sustainable investment in SEND support. The compromise with this approach, is a slightly less responsive model. So, if a school has a sudden rise in SEND the model would not provide an immediate response.

2.4. This feedback provides confidence that the structure and approach being proposed is a positive step forward. However, changes to how the funding is distributed is far more complex. Any broader use of proxy factors to distribute the funding to schools, creates significant changes in the distribution of funding, whilst it was anticipated that it would change the distribution, the scale of the change was unexpected. To put this in context, even using a three-year average for EHCP numbers, as opposed to a single year, markedly affects how the funding is distributed. So, in considering next steps we have taken the following feedback onboard:

- The three SEND proxy factors (SEND Support, EHCP and Low Prior Attainment) should remain the most significant factor in distributing funding. However, it was felt that the use of SEND support needed to be carefully considered, as there is variation in school practice. It was felt that the Graduated pathway, and particularly the MyPlan+ data, could be a more reliable factor.
- In contrast, the deprivation, EAL and mobility factors are considered to be currently less relevant in determining which schools should receive the targeted funding.
- That the complexity of the EHCP cohort should have greater consideration, and that building the different banding levels of the EHCP cohort into the modelling could help achieve this.

2.5. Taking all this into account the Local Authority is proposing to implement the new model in two phases:

- **Phase 1:** funding to be agreed as a fixed sum for 2024/25, to mirror expenditure on the 1 in 30 model in 2023/24. The final number will be known at the financial year but is expected to be between £3.2 and £3.5m.
- Funding to be allocated to schools as a lump sum, to replicate the exact amount received in 2023/24. Schools will be asked to confirm how the money will be spent and the impact the funding has had for CYP with SEND in their school.
- **Phase 2:** Further refinement of the funding model and the proxy factors to address feedback from schools, specifically the inclusion of MyPlan+ data and EHCP banding data.
- Further modelling to take place across the summer, with a Forum working group session to review distribution options, ahead of a Schools Forum decision in the Autumn term for 2025/26 allocation of funding.

2.6. The approach will deliver greater control and reporting on impact in 2024/25 and will allow time for further refinement regarding the distribution of funding. It will also ensure that schools currently in receipt of funding do not lose funding. However, it will also mean that schools will not receive any additional funding in 2024/25 and schools that are not currently in receipt of funding will not be eligible.

**Recommendation:** That the new SEND targeted support model is implemented in two phases, as detailed in paragraph 2.5.