

Committee:	Schools' Forum
Meeting Date:	20 th April 2023
Title:	High Needs Funding Update
Author:	Gemma Morgan, Head of SEND Funding and Provider Services
Decision making / consultative / information:	Information
Who can vote?	N/A

Decision Making and Information

1. To share with Schools' Forum the current spending of the 2022/23 High Needs Block allocation.
2. To share with Schools' Forum the updated DSG Deficit Recovery Plan. This plan will be shared with Forum on a termly basis.
3. To inform Schools' Forum of how the Additional Funding will be distributed in Financial Year 2023/24 in accordance with DfE guidance. ([High needs funding: 2023 to 2024 operational guide - GOV.UK \(www.gov.uk\)](#))
4. Update Schools' Forum on the Delivery Better Value Programme. ([Sustainable high needs systems: our work with local authorities \(publishing.service.gov.uk\)](#))

Reason for recommendation

5. To update Schools' Forum of the current level of spending of the High Needs Block for financial year 2022/23.
6. To share the latest version of the DSG Deficit Recovery Plan.
7. To ensure Schools Forum has the latest information regarding additional supplementary funding for all PRUs and local Special Schools.
8. Provide Schools Forum with the latest information regarding Suffolk's involvement in the Delivering Better Value programme.

Who will be affected by this decision?

9. This situation affects all education providers in Suffolk.

Main body of the Report

High Needs Funding 2022/23

10. The demand for specialist placements in Suffolk continues to rise and referrals from mainstream schools for specialist settings are at the highest level of all time.

11. The Table below gives an update on how the High Needs Funding allocation was spent in 2022/23. It compares the earlier forecast against the position of the budget at quarter three of the financial year. You will see from the table below that the current overspend for 2022/23 (ahead of P13) is £15.1m:-

Description	2022/23 Forecast	2022/23 Updated Forecast Q3	Difference from 21/22 Spend
Top-Up payments	£44,711,308	£45,166,590	£455,282
High Needs Places - Academies	£23,236,000	£23,236,000	£0
Independent Schools	£15,000,000	£19,100,000	£4,100,000
Additional High Needs Places/TPG	£7,952,521	£8,241,521	£289,000
Alternative Provision	£3,021,060	£3,221,060	£200,000
Bespoke and Targeted Support	£2,788,692	£5,288,692	£2,500,000
Personal Budgets - Short Breaks	£2,638,420	£2,713,420	£75,000
CISS/SES	£2,392,402	£2,560,402	£168,000
Sensory Services	£2,431,732	£2,431,732	£0
Central Support	£1,264,094	£1,394,994	£130,900
Psychology	£2,276,727	£2,276,727	£0
Family Services	£1,921,986	£1,921,986	£0
Reform Developments	£357,581	£357,581	£0
Equipment	£240,000	£240,000	£0
LSA Schemes	£300,710	£300,710	£0
CAMHS	£170,100	£170,100	£0
Additional high Needs funding	£220,000	£220,000	£0
Additional Staffing Funding	£1,100,000	£1,100,000	£0
Total	£112,023,333	£119,941,515	£7,918,182
DSG HNB Funding	£96,107,000	£96,107,000	
DSG Other Funding	£382,996	£382,996	
Core Funding & Reserves	£8,360,603	£8,360,603	
Total Funding	£104,850,599	£104,850,599	
Variance	£7,172,734	£15,090,916	

12. The current overspend for 2022/23 has increased by £7,918,182 since the forecasting for the year was originally undertaken. This is predominantly due to the increase in need and the requirement to place pupils within independent settings and create bespoke packages for children and young people. These are our most costly places and provision and have the most variable fees. Top up to mainstream schools is the third area that has led to the increase on the forecast.
13. The data used for the calculations is the most up to date position as of February 2023 and demonstrates all children currently within a setting and a forecast for those who we are currently looking for places for.
14. The below table shows the trend for spend on our three most costly provisions, Independent Schools, Bespoke Packages and Mainstream Top-up:-

Budget	2020/21		2021/22		2022/23	
	Spend 2020/21	CYP Supported	Spend 2021/22	CYP Supported	Spend 2022/23	CYP Supported
Independent CC759	13,528,037	311	14,605,410	345	19,100,000	373
			8%	11%	31%	8%
Bespoke CC808	512,100	46	1,804,387	174	5,000,000	327
			252%	278%	177%	88%
Mainstream Top Up CC780/CC783	10,794,184	2885	11,947,601	3257	14,713,313	3880
			11%	13%	23%	19%

15. Our placement of pupils in the Independent and Non-Maintained Special School settings (INMSS) is continuing to grow at a steady rate of 8-11%, however, the costs are increasing at a higher rate (31%). This is due to the volatility of the provider's fees and their ability to put their costs up to meet some of the recent cost of living increases. We have also recently seen a number of children needing very specialist provision to meet their high levels of needs, these placements costing in excess of £80,000 per pupil per year.
16. We currently have 58 pupils at INMSS with a placement costing over £80,000 of those 22 cost in excess of £90,000. Of the 58 places 21 were new at the beginning of the current academic year, this is an increase of over 56% compared to the same period last year.
17. The table above demonstrates the increase in the number of children who are being supported by a bespoke provider. This has increased by 88% since last academic year. These placements are tailor made for individual children and, therefore, can be very expensive. However, the average cost of provision per child is currently just over £15,000.
18. The number of children in both INMSS and receiving bespoke provision has increased significantly as Suffolk County Council continues to ensure that children are receiving a suitable education in-line with our Statutory Responsibilities, in order to do this we have had to increase our overspend and further increase the overall High Needs Block deficit.

19. The requests for top-up funding from the mainstream schools continues to be high. In Autumn 2022, 787 requests for new bands were received in comparison to 666 the previous year. The below table shows the data from the Autumn term over the last three academic years:

Request	Autumn 20	Autumn 21	Autumn 22
New	649	666	787
Increase	198	187	213
Total	847	853	1000
% Increase		0.7%	17%

20. Of those children in mainstream school with a High Needs Funding Band, 48% of them have an EHCP and 52% are SEN Support, this level remains consistent across all years in the above table.

21. It is clear that the COVID 19 pandemic has had an impact on the number of children who now require additional support in order for them to access education.

22. At the start of the pandemic SCC set up a system for those who needed a temporary band. Across all settings, in 2021/22 108 temporary bands were allocated where there was a direct link to the pandemic. This was 95 in mainstream settings and 13 Band I allocations (12 in special settings plus 1 in specialist settings/small groups). The cost of the pandemic support bands was £652,231. These have been reviewed on an annual basis and 64% of them have become permanent.

23. There were a further 21 band increases in special settings that are directly attributable to increased SEMH needs and whilst these bands were not allocated on a temporary basis, they represent a cost of £50,300.

24. Therefore, the full cost of £702,531 can be directly attributable to the effects of the pandemic on the SEMH needs of high needs learners or the delay in referrals/assessments.

25. Of the 64% of bands which went on to be made permanent, thirty bands were made permanent as the settings signed a declaration that the need was permanent and the provision remained in place. Fifteen had been re-moderated for a higher band and the evidence supported a longer-term need(s). Seven had gone on to get an EHCP so the band was made permanent. Eight had gone into a specialist placement or LA provided AP so the band was made permanent.

26. When the funding system was first established it was expected that after 2 years new band requests would only come from those in transition year

groups. However, we continue to see requests from across all age ranges, this can be directly correlated to the requests during the pandemic as this trend is only evident since early 2020.

27. The below table demonstrates the increase in the number of Children and Young People supported by High Needs Funding. It must be recognised that this still under represents the demand as there is still a need for more places within the Local Offer:-

Number of Placements in Settings	2021/22	2022/23	Percentage Increase
Special Schools	1415	1534	8%
Specialist Units and Small Groups	497	667	34%
Post 16	747	817	9%
Total	2659	3018	14%
Children with a High Needs Funding Band in Mainstream Schools			
	3257	3880	19%
Independent Non-Maintained Special Schools			
	345	373	8%
Bespoke Provision			
	174	327	88%
Total Children Receiving High Needs Funding			
	6435	7598	18%

28. The below table shows the cost increase for the above places over the past two years:-

Top-up Funding Costs	2021/22	2022/23	Percentage Increase
Special Schools and Units	£17,284,386	£20,211,304	17%
Post 16	£4,508,162	£4,800,000	6%
Mainstream Schools	£11,947,601	£14,731,313	23%
Independent and Non Maintained	£14,605,410	£19,100,000	31%
Bespoke	£1,804,387	£5,000,000	177%
Total	£50,149,946	£63,842,617	27%

Dedicated Schools Grant Deficit Recovery Plan

29. The DSG conditions of grant requires that any LA with an overall deficit on its DSG account, or whose DSG surplus has substantially reduced during the year, must be able to present a plan to the Department for Education (DfE) for managing their future DSG spend. The DfE request that the plan be shared with Schools' Forum on a termly basis.
30. The latest version of the DSG Deficit Recovery Plan is available as a separate document for information.

Additional Funding

31. In December 2022 the DfE published the High Needs Funding operational guidance for 2023/24:-

High needs funding: 2023 to 2024 operational guide - GOV.UK (www.gov.uk)

32. This year the guidance clearly sets out how the 2023/24 additional funding is to be allocated to Special Schools and PRUs. The guidance states that:-

Maintained special schools and special academies and free schools

Local authorities must allocate 3.4% per place, based on the place funding of £10,000 per place plus the average top-up funding they pay for a pupil placement in financial year 2022 to 2023, using the total number of places being funded in academic year 2022 to 2023. If a revised number of places has been agreed with the school for the academic year 2023 to 2024, through the place change process where applicable, the local authority may use that number to calculate seven twelfths of the allocation (for the period September 2023 to March 2024)

Pupil referral units and AP academies and free schools

Similarly, local authorities must allocate 3.4% per place, based on the place and top-up funding these schools receive.

33. We took the relevant number of places published on the DfE website:- High needs: allocated place numbers - GOV.UK (www.gov.uk), added any place change notifications which were submitted in October 2022 and calculated an average cost for top-up funding. We then shared these calculations with the providers and spent February and March confirming and agreeing the additional funding.
34. The payments for the additional funding will be made to providers by the last week in April. The additional funding paid to PRUs totalled £350,200 and for Special Schools £1,150,411. The total value of the additional funding passed to providers for 2023/24 financial year is £1,500,611, in line with the DfE Guidance.

Delivering Better Value Programme (DBV)

35. Suffolk County Council have been part of the first group of LAs undertaking the DBV programme. SCC have completed phase 1 of the programme which involved:-

- Local area stock take (assessment of existing processes, plans, capability, relationships, etc.).
- Facilitation of key stakeholder engagement for each authority
- Data analysis and assurance.
- Identification of root cause/underlying cost drivers and mitigating solutions/reforms.
- Improvement plan including reform implementation critical path
- A quality assured DSG management plan.

36. Our DBV evidence base and wider learning shows:

- Teachers want to be able to offer better support for children with SEND, but can lack the tools and expertise in the application of tools according to the child's individual circumstances
- The continuing large number of requests for EHCNAs (Education, Health and Care needs assessment) is exacerbated by families not having confidence that the SEND system in Suffolk will meet needs in the absence of an EHCP (Education, Health and Care plan)
- Multi-disciplinary practitioners, in retrospectively reviewing Suffolk cases, felt that in the majority of cases more could have been done earlier
- Support from Specialist Education Services is valued, but in some cases could benefit from being earlier
- The large majority of specialist placements start in primary school years, and particularly at the point of transition to secondary school. Transition to primary and secondary was also the most common start point for High Needs Funding for children in mainstream provision.
- The historic and anticipated future rapid growth in high needs funding is driven by escalation of need and the escalating unit cost of meeting that need as well as growth in the number of children receiving high needs funding.
- Our survey of awareness of SEND system services and the value placed on them showed that this was variable among schools and settings.

37. As part of Phase 1 SCC put in an application for £1m of grant funding to help support schools to deliver the right approach/intervention for the child with SEND in the right way and at the right time. This will be done by establishing a portfolio of evidence-based approaches that can improve the core basic skills of children. It will include the creation of an 'Intervention Support Team' of Assistant Psychologists and Specialist Teachers to provide practical, individual support to schools to implement, to embed and to review the effectiveness of interventions as part of the assess, plan, do, review cycle.

38. The intervention programme will be delivered between 2023 and 2026.
39. The outcomes of this intervention will be improving a child's rate of progress with core basic skills around reading, writing and maths, building the child's ability and confidence, and supporting their access to the wider curriculum. In turn, this will mitigate the growth in the number of children requiring specialist provision and the level at which they need to be funded.
40. Working with schools at the intervention and review stage will support the embedding of good practice in schools and provide a legacy when the Intervention Team steps down.
41. We will also support the (currently 14) Inclusion Quality Mark Schools in Suffolk with these approaches to enable them to offer longer term peer support to schools in their locality.
42. We were recently informed that our application has been successful. The first activity to be undertaken is the recruitment of a Project Lead and form a Head Teacher/SENCO/SPCF Advisory Group. Once these are established the work on the project can begin. We will update forum on progress once the programme is established.