

<b>Committee:</b>	Schools' Forum
<b>Meeting Date:</b>	9 <sup>th</sup> May 2024
<b>Title:</b>	High Needs Funding
<b>Author:</b>	Gemma Morgan, Head of SEND Funding and Provider Services
<b>Decision making / consultative / information:</b>	Information
<b>Who can vote?</b>	N/A

### **Decision Making and Information**

1. To share with Schools' Forum the spending of the 2023/24 High Needs Block allocation, and the forecast for 2024/25.
2. To share with Schools Forum the number of children and young people receiving High Needs Funding over the last 4 years. Along with a comparison of Bespoke and Independent placements over the same period. To share with Schools Forum information on how the High Needs Block budget is being spent.
3. To provide a summary of the High Needs Funding in mainstream schools based on the Autumn Term data. To demonstrate to Schools Forum the increase in requests from mainstream schools for High Needs Funding.
4. Provide the latest version of the DSG Deficit Management Template which has been signed off and shared with the DfE.
5. Give an overview of the Mitigation conversations with have been held with the sub-group of this meeting (High Needs Working Group).

### **Reason for recommendation**

6. To update Schools' Forum of the end of year position of the High Needs Block for financial year 2023/24 and share the forecasted spend of the High Needs Block for financial year 2024/25.
7. To share the most recent data on number of children and young people supported by the High Needs Block and places within the system.

8. To share the latest version of the DSG Deficit Management Template and feedback from High Needs Working Group regarding mitigation.

### Who will be affected by this decision?

9. This situation affects all education providers in Suffolk as well as the wider Suffolk population. The pressure on the High Needs Block effects the Local Authorities cash-flow position, and although the overspend isn't held against SCC reserves at the moment, it may do in the future.

### Main body of the Report

#### High Needs Funding 2023/24

10. This is the annual update to Schools Forum on the High Needs Block spend in Suffolk. The Financial Year 2023/24 closed at the end of March 2024. The below table shows the spending for the year and the end of year position for all Inclusion budgets:-

Inclusion Budgets	Actual Spend 2022/23	Full Year Forecast 2023/24	Variance
Specialist Education Services and Therapies	£6,423,432	£7,710,325	£1,286,892
Contracted Services, Additional Places and Support	£5,483,126	£5,796,038	£312,912
Provider Support, Family Support and Management	£4,737,587	£6,686,053	£1,948,465
Top-Up Funding	£45,566,900	£55,920,105	£10,353,205
Independent Placements	£18,827,354	£26,739,817	£7,912,463
Personal Budgets, Short Breaks and Comms	£2,824,806	£2,976,290	£151,484
Bespoke Packages	£4,283,693	£8,729,088	£4,445,395
Educational Psychology	£2,492,770	£3,479,133	£986,363
AP Transport and Hospital Tuition	£223,253	£225,802	£2,548
Teacher Pay & Pensions and Set Up Costs	£2,091,129	£1,816,619	<b>-£274,510</b>
	<b>£92,954,052</b>	<b>£120,079,269</b>	<b>£27,125,217</b>

Budget 23/24	£89,743,232
Full year Forecast	£120,079,269
Variance	<b>-£30,336,037</b>

11. As you can see from the table above there has been a considerable increase in the spend on Top-Up Funding, this is across mainstream schools, special schools, specialist units, Further Education (FE) provision and Alternative Provision (AP) Schools. This increase is due to a combination of an increase in requests for top-up funding, requests for higher bands for children within our specialist settings and the volume of new places created within the local offer (as outlined in paragraph 17).
12. Alongside this we have seen a large increase in the number of places at Independent Non-Maintained Special Schools, which are usually our costliest placements. As well as an increase in the number of children and young people accessing Bespoke Packages, again the volume increase is included in the table in paragraph 18.
13. The needs of children and young people continue to grow and the demand for specialist placements continue to increase. As outlined in the most recent SEND Sufficiency Plan, it is anticipated that the number of children with SEND will rise by 23% over the next 3-5 years.

### High Needs Funding 2024/25

14. Early work has been undertaken to forecast the spend across the Inclusion Service for the current financial year (2024/25).
15. It is anticipated that the High Needs Block will continue to be overspent by a further £48.4m by the end of the year. This will result in an overall DSG Deficit position of £103.9m.
16. The below table predicts how the funding will be spent across 2024/25:-

<b>Inclusion Budgets</b>	<b>Core Funding</b>	<b>High Needs Block</b>	<b>Full Year Forecast 2024/25</b>
Specialist Education Services and Therapies	£1,055,911	£7,374,950	£8,430,861
Contracted Services, Additional Places and Support	£0	£5,910,461	£5,910,461
Provider Support, Family Support and Management	£5,022,533	£915,731	£5,938,264
Top-Up Funding	£0	£68,342,845	£68,342,845
Independent Placements	£0	£41,590,000	£41,590,000
Personal Budgets, Short Breaks and Comms	£2,823,664	£160,221	£2,983,885
Bespoke Packages	£0	£7,904,836	£7,904,836
Educational Psychology	£3,005,789	£1,106,147	£4,111,936

AP Transport (EOTAS) and Hospital Tuition	£0	£230,000	£230,000
Teacher Pay & Pensions and Set Up Costs	£0	£3,141,599	£3,141,599
	<b>£11,907,897</b>	<b>£136,676,790</b>	<b>£148,584,687</b>

Budget 24/25	£11,907,897	£88,217,364	£100,125,261
Full year Forecast	£11,907,897	£136,676,790	£148,584,687
<b>Variance</b>	<b>£0</b>	<b>-£48,459,426</b>	<b>-£48,459,426</b>

### Number of children receiving High Needs Funding

17. The number of children who are receiving high needs funding has increased steadily over the last four years. As you can see from the below table between 2022/23 and 2023/24 there has been an increase of 19% across all settings.

Number of Placements in Settings	2020/21	2021/22	Percentage Increase	2022/23	Percentage Increase	2023/24	Percentage Increase
Special Schools	1,296	1,415	9%	1,534	8%	1,661	8%
Specialist Units and Small Groups	481	497	3%	667	34%	664	0%
Post 16	725	747	3%	817	9%	939	15%
<b>Total</b>	<b>2502</b>	<b>2659</b>	<b>6%</b>	<b>3018</b>	<b>14%</b>	<b>3264</b>	<b>8%</b>
Children receiving HNF in Mainstream Schools	2,885	3,257	13%	3,880	19%	4,867	25%
Independent	311	330	6%	349	6%	469	34%
Bespoke Provision	69	174	152%	327	88%	393	20%
<b>Total Children Receiving High Needs Funding</b>	<b>5767</b>	<b>6420</b>	<b>11%</b>	<b>7574</b>	<b>18%</b>	<b>8,993</b>	<b>19%</b>

18. Included within the above numbers are the new places created by the SEND Capital Programme, between September 2020 and September 2023, 741 new places were created. These are broken down into 469 Unit places and 272 special school places. Therefore outside of the programme 93 places have been created in Special Schools and 159 in Units and Small Groups, this has been achieved by realising more places within the existing establishment.

19. In total over the last four years the number of children receiving high needs funding has increased by 3,226, that is an increase of 56%. This is not in line with the increase in funding we have received which has been approximately 11%.

20. Of these 3,226 children receiving high needs funding, 73% of them have an EHCP and 27% receive SEN support.

21. Over the past four years the funding from the DfE has increased as follows, compared to our spend, please note this does not include funding that goes directly to academies and forms part of the HNB:-

	2020/21	2021/22	2022/23	2023/24
<b>High Needs Block Budget</b>	£60,665,264	£65,259,578	£73,031,701	£82,762,621
<b>% Increase</b>	-	8%	12%	13%
<b>High Needs Block Spend</b>	£62,728,032	£72,616,128	£85,158,562	£108,595,582
<b>% Increase</b>		16%	17%	28%

22. The biggest increase in the number of children being supported by the High Needs Block has been within mainstream schools, independent schools and bespoke provision. The below table shows the increase over the last 4 years and the increase in spend:-

	2020/21		2021/22		2022/23		2023/24	
<b>Budget</b>	<b>Spend</b>	<b>CYP Supported</b>	<b>Spend</b>	<b>CYP Supported</b>	<b>Spend</b>	<b>CYP Supported</b>	<b>Spend</b>	<b>CYP Supported</b>
<b>Independent</b>	£ 13,528,037	311	£ 14,605,410	330	£ 18,827,354	349	£ 27,500,000	469
<b>Increase %</b>			8%	6%	29%	6%	46%	34%
<b>Bespoke</b>	£ 512,100	69	£ 1,804,387	174	£ 4,283,693	327	£ 7,400,000	393
<b>Increase %</b>			252%	152%	137%	88%	73%	20%
<b>Mainstream</b>	£ 10,794,184	2,885	£ 11,947,601	3,257	£ 14,713,313	3,880	18,526,226	4867
<b>Increase %</b>			11%	13%	23%	19%	26%	25%

23. Both the Independent and Bespoke spend is very difficult to forecast as these budgets are very responsive to need and subject to change. Placements at these provisions can range from a few thousand pounds to well over £100,000. Currently, the average cost per year for an independent placement is £63,163 and for bespoke £22,640.30. The most expensive independent placement currently is £284,376.

24. Over the last four years there has been a considerable rise in the number of children within mainstream settings who require high needs top-up funding. As can be seen from the above table the number has increased by 69% since 2020/21, and by 25% in the last year alone.

### **High Needs Top-Up Funding Autumn 2023**

25. In Autumn term 2023 the moderation team received 1,092 requests for new High Needs Funding Bands for children within mainstream settings. These were brand new requests for children who had never received high needs funding before.

26. This was an increase of 225 from the same time the previous year, and almost double that of Autumn 2021.

27. The below table gives a summary of the last four years:-

	Autumn 2020	Autumn 2021	Autumn 2022	Autumn 2023
<b>Moderated New</b>	649	666	867	1,092
<b>Increase</b>		17	201	225
<b>% Increase</b>		3%	30%	26%

28. A comparison exercise was undertaken to see if over the last four years the split of the bands in mainstream settings has changed and if higher bands were being requested for new children entering the system. As you can see in the below table comparing the number of bands across each of the four years the split remains very constant:-

Autumn Term	2020	2021	2022	2023
<b>A</b>	0.0%	0.0%	0.0%	0.0%
<b>B</b>	0.0%	0.0%	0.0%	0.9%
<b>C</b>	25.4%	24.8%	24.4%	23.5%
<b>D</b>	22.6%	23.4%	23.3%	23.6%
<b>E</b>	20.2%	20.2%	20.4%	20.3%
<b>F</b>	15.6%	15.6%	15.8%	15.7%
<b>G</b>	10.3%	9.8%	9.8%	9.9%
<b>H</b>	5.0%	5.2%	5.0%	4.8%
<b>I</b>	0.9%	1.0%	1.3%	1.3%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### **Dedicated Schools Grant Deficit Recovery Plan**

29. The latest version of the DSG Deficit Recovery Plan has been signed off by Suffolk County Council (SCC) and shared with the Department for Education (DfE). The latest version of the plan is available as a separate document with the meeting papers.

30. This plan will be updated following this meeting and on a regular basis. It will be re-shared with the DfE throughout the financial year, especially if there are significant change to the forecasting.

### **Mitigation**

31. At the last Schools Forum meeting it was suggested that the High Needs Working Group (a sub-group of Schools Forum) meet to discuss how the continued overspend could be mitigated.

32. The following areas were discussed:-

- i. Tribunal System – better link up between SCC and settings. Consistency of officer and de-briefs immediately after the tribunal meetings. Support with tribunal statements and anonymized example statements for sharing.

*Work has started with the recruitment of new staff into the Inclusion Service following the recent core funding investment, and will continue to be expanded.*

- ii. Quality of EHCPs – EHCPs need to accurately reflect the needs of the children. They mustn't be too broad and must be written in a way to enable teachers to pick them up and implement them.

*The Quality of EHCPs was raised as a concern within the recent Ofsted Inspection 2023, and will be addressed as part of the priority action plan which has been signed off by Ofsted.*

- iii. Early Intervention – further investment needed to support with long term implications, ensure that not every child necessarily needs to go to a specialist provision. More support for mainstream schools so they can better meet needs.

*A new whole school approach has been introduced as well as regular meetings with every mainstream school from the Specialist Education Service (SES) and the Educational Psychology team. These are in their early stages but data from their implementation will be monitored and shared with the High Needs Working Group.*

- iv. SES Training – make available for parents of children within mainstream schools.

*To be discussed with the Inclusion Service Senior Management Team.*

- v. Capital Investment - use revenue funding for capital investment in local provision.

*Revenue Funding can not be used for Capital Work, however, further Capital investment is expected, particularly in light of the recent announcement of £10.9m from the DfE.*

- vi. Good Practice - Share and use national good practice. See what other local authorities are doing who aren't overspending.

*Attendance at Regional and National events is crucial and is taking place whenever it is possible. Sharing good practice with our statistical neighbours happens across many forums and it would be beneficial for us to bring this information together centrally. Many of the actions*

*identified in the national [SEND and AP Improvement Plan](#) are already underway in Suffolk.*

- vii. Trends/Data – use patterns in data to better identify needs and understand where provision is required within the system as early as possible.

*Work has begun to look at the future Sufficiency Plan for Suffolk. This will be a joint piece of work between Health, Education and Social Care. The most up to date data and trend analysis will be used to identify where the greatest need is within the system.*