

**HIGH NEEDS PRESSURES AND ACTIONS**

*To:* Cambridgeshire Schools Forum  
*Date:* 13<sup>th</sup> December 2017  
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**1.0 INTRODUCTION**

- 1.1 This report provides an update on the High Needs Block Dedicated Schools Grant (DSG) funding and work to develop an action plan to help manage current and future demands. Expenditure on the HNB is increasing and without doing different going forward, it is an unsustainable situation with the forecast of significant over spends on many areas of the HNB.

**2.0 HIGH NEEDS BLOCK 17/18**

- 2.1 From November 2017, a number of High Needs Block DSG budgets will transfer from Commissioning to SEND Specialist Services (0-25). A breakdown is provided below:

Budget	2017/18 Budget (£)	Forecast Outturn Variance	Description
Special Schools Quantum	21,227,274	350,000	Budget funds all places and top-up to Cambridgeshire special schools. Although the base budget is £21.2m, approximately £6.6m will be recouped for places at academies and all post-16 places. Place funding for post-16 pupils at maintained schools is then separately funded by the Education and Skills Funding Agency (ESFA). Schools funding team allocate the funding to schools based on commissioned places and monthly pupil top-up information from the service.
Special Schools - Outreach	271,000	0	Funding is allocated to all special schools for outreach support, with the exception of one special school who is not able to provide this.
High Needs Units (Enhanced Resources)	3,069,088	0	Funding for High Needs Units (e.g. Cabins) attached to schools. Although base budget is £3.1m, there is recoupment of approximately £0.9m for places in academies funded directly by the Education

			and Skills Funding Agency (ESFA). Schools Funding team allocate the funding based on commissioned places and top-up information from the service.
Early Years Quantum	500,000	0	Early years quantum to be combined with expenditure against Education Health and Care Plans EHCPs for 3 & 4 year olds to create the SEN inclusion fund
Out of School Provision (OOSP) - tuition	1,176,236	600,000	Tuition packages for children and young people who are in receipt of a EHC and not in school
Basic Entitlement	-57,000	0	This amount is transferred into the OOSP budget for the pupil premium which would normally go to the school the pupil was on roll at.
Extended Provision (After School Clubs)	141,518	0	This budget funds the sessions for extended provision provided by the Special Schools (after school). Previously all the Special Schools had a SLA and were funded based on the number of sessions the school provided and the number of children attending. During the 2016/17 financial year this was changed and all the schools were to be given £20,007 (fixed) each for the 2017/18 financial year.
Lovass-Educated at Home.	26,445	44,000	This budget is for pupil educated at home by parents or tutors they employ. The parents pay the tutors and then send in monthly invoices for these costs which are reimbursed. For 2016-17 there was only one pupil, but another one recently started following a tribunal decision resulting in the budget being under-funded in 17/18.
Tribunals	75,044	0	There is an SLA for this with LGSS Law for £75,044. If there are compensation

			orders for payments to parents following either tribunal or Ombudsman ruling then these also get paid from this budget. This is a fixed price contract
Childcare Access Funding	199,297	0	The requests are received from the Setting and sent to START's QA panel. If there are complex issues such as, if when the plan is issued giving 25 hours of support and it is thought that more hours are needed, then it will be escalated to SENAM or CRP for the additional hours to be agreed. Some of this funding will be used for the new Additional Needs Funding (ANF) for children under 3 years with additional needs.
Early Years Access Funding - the new SEN IF will take its place	584,013	0	The requests are received from the Setting and sent to SENIF Panel. Three tiered funding model has been created to meet the needs of 3 & 4 year olds who need additional support in a setting.
SEN Placements –out county placements	8,572,523	700,000	This budget is for the Independent Special Education Placements (ISEPs).
Recoupment	399,991	0	
<b>Total</b>	<b>36,185,429</b>	<b>1,694,000</b>	<b>4.7%</b>

## 2.2 Existing DSG Budgets with SEND Service (0 – 25)

SEND Services (0 25 years)	5,361,000	54,000	Hearing Impaired Service, Visual Impaired Service, Specialist Teachers, Specialist Practitioners, Access & Inclusion, Extended Provision (after school clubs)
High Needs Top Up Funding	13,573,000	200,000	Funding for all Top-up in mainstream schools and academies and post-16 in FE.

<b>Total DSG Budget in SEND Service</b>	<b>55,119,429</b>	<b>1,948,000</b>	<b>3.9%</b>
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### 2.3 DSG Budgets in Commissioning

Equipment (mainstream)	230,000	0	The requests are mostly made by the OTs and are sent to Statutory Assessment Team QA panel in the first instance. More complex cases are sent to SENAM/CRP.
Special Schools equipment	202,400	0	The requests are all made by OTs and all orders need an Equipment Request form completed by the OT. This does not go to panel.
Therapies	80,366	0	Requests are for provision in the EHCP.

## 3.0 2016/17 PRESSURES MANAGED IN YEAR

- 3.1 Unlike core funded budgets, there is no uplift in budget allocation for dedicated schools grant (DSG) funded services for annual pay inflation. The additional cost of salary inflation and salary increments creates an incremental budget pressure for DSG funded teams across the SEND 0-25 service.
- 3.2 The cost to the Access and Inclusion team of providing one to one tuition for excluded primary school children and those at risk of exclusion increased. Within the School and Early Years Finance Regulations there is provision for the Local Authority to remove funding from schools for excluded pupils. In December 2016, Schools' Forum approved that where a primary aged child is permanently excluded from the school, the funding will pass to the SEND Service to provide tuition before the child is placed in another school. This, however does not cover the full costs of tuition.

## 4.0 2017/18 IN YEAR POSITION

- 4.1 Including those budgets transferring to SEND 0-25, as at the end of October, there is an in year pressure of £2,116k against available budget. £1,948k of this pressure is against High Needs Block DSG funded services. The main pressures/underspends can be summarised as:

Service	Current Budget for 2017/18	Actual	Forecast Variance Outturn	
	£'000	£'000	£'000	%

<b>SEN Placements</b>	<b>8,973</b>		<b>700</b>	<b>8%</b>
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A small number of these young people are in very high cost placements due to the complexity of their need. Key activity data to the end of October for SEN Placements is shown below

BUDGET				ACTUAL (Oct 17)				VARIANCE			
Ofsted Code	No. of Placements Budgeted	Total Cost to SEN Placements Budget	Average annual cost	No. of Placements Oct 17	Yearly Average	Total Cost to SEN Placements Budget	Average Annual Cost	No of Placements	Yearly Average	Total Cost to SEN Placements Budget	Average Annual Cost
Autistic Spectrum Disorder (ASD)	98	£6,165k	£63k	94	97.42	£6,652k	£68k	-4	-0.58	£486k	£5k
Hearing Impairment (HI)	3	£100k	£33k	2	2.00	£74k	£37k	-1	-1.00	£26k	£4k
Moderate Learning Difficulty (MLD)	3	£109k	£36k	6	4.71	£108k	£23k	3	1.71	£1k	£13k
Multi-Sensory Impairment (MSI)	1	£75k	£75k	0	0.00	£0k	-	-1	-1.00	£75k	£k
Physical Disability (PD)	1	£19k	£19k	4	2.82	£71k	£25k	3	1.82	£52k	£6k
Profound and Multiple Learning Difficulty (PMLD)	1	£41k	£41k	0	0.00	£k	-	-1	-1.00	£41k	£k
Social Emotional and Mental Health (SEMH)	35	£1,490k	£43k	38	41.28	£1,885k	£46k	3	6.28	£394k	£3k
Speech, Language and Communication Needs (SLCN)	3	£163k	£54k	2	2.00	£90k	£45k	-1	-1.00	£74k	£10k
Severe Learning Difficulty (SLD)	2	£180k	£90k	1	1.00	£90k	£90k	-1	-1.00	£90k	£k
Specific Learning Difficulty (SPLD)	8	£164k	£20k	5	4.88	£215k	£44k	-3	-3.12	£51k	£24k
Visual Impairment (VI)	2	£64k	£32k	2	2.00	£57k	£29k	0	0.00	£7k	£4k
Recoupment	-	-	-	-	-	£31k	-	-	-	£31k	-
<b>TOTAL</b>	<b>157</b>	<b>£8,573k</b>	<b>£55k</b>	<b>154</b>	<b>158.11</b>	<b>£9,273k</b>	<b>£58k</b>	<b>-3</b>	<b>1.11</b>	<b>£700k</b>	<b>£4k</b>

Overall there are rising numbers of children and young people who are LAC, have an EHCP and have been placed in a 52 week placement. These are cases where the child cannot remain living at home. Where there are concerns about the local schools meeting their educational needs, the SEN Placement budget has to fund the educational element of the 52 week residential placement; often these are residential schools given the level of learning disability of the young children, which are generally more expensive.

<b>Out of school tuition</b>	<b>1,176</b>		<b>600</b>	
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There has been an increase in the number of children with an Education Health and Care Plan (EHCP) who are awaiting a permanent school placement. The delay is due to the nature and complexity of the needs of these children. Many of these children are in Key Stage 1 and do not have a permanent placement due to a lack of provision for this cohort of children. In addition, there are a number of children and young people who have a Statement of SEN/EHCP and have been out of school for some time. A smaller cohort of Primary aged children who are permanently excluded, or those with long term medical absence from school, sometimes require external tuition packages when SEND Service Teaching capacity is full.

<b>High Needs Top Up Funding</b>	<b>13,573</b>		<b>200</b>	<b>1%</b>
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Numbers of young people with Education Health and Care Plans (EHCP) in Post-16 Further Education providers continue to increase and as a result a year-end pressure of £200k is currently forecast. Placements for the 2018/19 academic year are still being finalised and as such the overall cost for the remainder of the financial year could increase further as more young people remain in education.

<b>SEND 0-25</b>	<b>5,361</b>		<b>54</b>	<b>1%</b>
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Integrated district delivery teams (Specialist Teachers, Specialist Practitioners, Access & Inclusion, Sensory Support Service, Educational Psychology Service, Additional Needs Team and Statutory Assessment Team (SAT)

The Apprenticeship Levy has been payable from April 17, however no uplift in budget was available for services funded by DSG to cover this additional cost  
Access & Inclusion costs of providing one to one tuition for excluded primary school children and those at risk of exclusion, with use of agency teachers to provide this capacity.

<b>Special Schools Quantum</b>	<b>14,645</b>		<b>350</b>	<b>2.4%</b>
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Please note the £14,645k Special School Quantum is net of £6,582k adjustments for academy recoupment. The overall gross budget is £21,227k, an increase of £735k (3.6%) from 2017/18 levels.

It is expected that the Special Schools budget will overspend by approximately £350,000. This is due to the increasing number of children in Special Schools, an increase of 40 pupils between the October 2016 and May 2017 census points, and with the new school at Highfield Littleport which opened in September these numbers will only increase further. Alongside the increase in numbers there is a continuing increase in the complexity of need reflected by the rising value of the average top-up per pupil despite top-up amounts and criteria remaining constant:

	17/18	16/17	15/16	14/15
Average Special School Top-Up per pupil	£10,248	£10,199	£9,955	£9,755

Further information for the autumn term is currently under review and is likely to increase the pressure further as numbers continue to increase.

## 5.0 DEDICATED SCHOOLS GRANT (DSG) STRATEGIC VIEW

- 5.1 The High Needs Block DSG funding system supports provision for pupils and students with special educational needs and disabilities from their early years to 25 years. A High Needs Strategic Planning Fund has been provided to local authorities as a one off in order to support a strategic review of services commissioned through the High Needs Block element of DSG funding.
- 5.2 The current in-year DSG position shows there are significant pressures on the High Needs Block and the DfE's illustrative national funding formula data suggests that the proposed national formula for High Needs Funding would result in no additional funding for the High Needs Block for Cambridgeshire. Therefore this review is essential to managing provision within anticipated future levels of resource.
- 5.3 Cambridgeshire's allocation of the High Needs Strategic Planning Fund is £267k and it is being used to fund capacity required to complete a strategic review of existing provision and plan for future requirements of special provision. The review should ensure the sustainability of high needs provision and is therefore contextualised alongside the current overall overspend of £1,749k against the high needs block (net figure including other over/under spends reported across services not managed by SEND 0-25).
- 5.4 We are required by the DfE to publish the outcomes of the review in a strategic plan for Cambridgeshire in March 2018.

## **6.0 BUDGET ACTION PLANS – MITIGATING BUDGET PRESSURES IN HNB**

- 6.1 A number of areas have been identified for review and further work to reduce current spend and manage future demand.

### **6.2 Commissioning Strategy – Charter vision and principles**

A draft vision and principles SEND Charter has been collaboratively produced with parents and young people from core documents already in existence, including the All Age Framework that was developed in 2016/17. This Charter will form the basis of the Commissioning Strategy and link with the SEND Sufficiency and Needs analysis work.

### **6.3 SEND Sufficiency and Needs Analysis**

We have commissioned 1st planners to undertake a SEND Sufficiency and Needs Analysis across Cambridgeshire and Peterborough to ensure that we have the right provision in the right place. Cambridgeshire has two new special schools planned, and another recently opened to accommodate the rising demand of special school placements over the next 10 years. The two new special schools are due to open in 2020 and 2021. Alternatives such as additional facilities in the existing schools, looking at collaboration between the schools in supporting post 16, and working with further education providers to provide appropriate post 16 course is also being explored in the plan.

The initial analysis will be completed by the end of January 2018. This will inform future planning and developments, and all relevant stakeholders will be involved with future commissioning of provision and services.

There will be a series of workshops taking place in the Spring term 2018 involving schools, members, Health, parents and young people.

### **6.4 Social Emotional and mental Health (SEMH) Review**

The SEMH Review has been looking at the needs and provision for children and young people identified as having needs in relation to SEMH to inform a graduated approach to this area of need. This work will report on the specialist provision in January 2018, linking in with the SEND Sufficiency work. The SEMH review of primary provision across Cambridgeshire will report in early Spring and there will be further work undertaken to review SEMH provision for secondary aged students.

Recommendations from the SEMH Review will consider what provision and support services will be needed in Cambridgeshire to meet need.

### **6.5 Autism Spectrum Disorder Review**

Autism continues to be the highest area of need for children and young people with an EHCP in Cambridgeshire. To align with the work of the SEND Sufficiency and

SEMH Review, there is a need to undertake similar work in relation to ASD needs and provision. This work will be undertaken in summer 2018.

## **6.6 Top up funding**

The budget for funding top-up in mainstream schools and academies, and post-16 in Further Education Colleges is £13.573m. An over spend of £0.2m (1.5% of budget) is currently forecast for the 2017/18 financial year. The numbers of young people with Education Health and Care Plans (EHCPs) continue to increase, particularly those in post-16. Cambridgeshire continues to have a higher number of EHCPs compared with statistical neighbours (3.5%).

We are seeking to contain the over spend in year and through the current Strategic Review of High Needs Provision, are developing an action plan to ensure longer term financial sustainability of this budget whilst improving outcomes for young people. The initial focus will be on:

- A review of the current decision making matrix, to ensure it is sufficiently robust and that the right decisions are made at the most appropriate level in the management hierarchy, according to complexity and value. We will upskill staff, to ensure they are empowered in their decision making and will provide support through an enhanced moderation process.
- Ensure consistency of decision making by undertaking moderation, independent audits, spot checks by Divisional SEND Managers and a comprehensive review of the lowest and highest cost top up plans. By bringing this work together as part of the integrated SEND Specialist Service for 0-25 years, there is a real opportunity to review this process to ensure it is sufficiently robust, timely and efficient and that decisions are made at the most appropriate level.
- A needs analysis of the capacity of the Statutory Assessment Team, to ensure there is sufficient capacity in the system to review plans, monitor plans and packages.
- It currently takes 20 weeks to process an EHCP and we will review the efficiency of this process, in order to ensure sufficient staffing resource can be attributed to ongoing monitoring and reviews of existing plans.

## **6.7 Tiered funding model for schools and Further Education (FE) colleges**

A review of SEN funding for schools and FE colleges will take place in 2018. This will include proposals for a Tiered funding model for children and young people who have special educational needs, and have needs that require additional support over and above the notional funding in budgets.

Proposals for the Tiered funding model for schools will be brought back to Schools Forum in March 2018.



A review of the funding levels (hourly rates) for FE top up funding (Element 3) including a full benchmarking exercise with statistical neighbours will take place in Spring 2018. We will seek to develop a new funding model for post-16 and will explore the potential for a tiered funding model for Further Education Colleges. Any changes would be rolled out from September 2018, in full consultation with Schools' Forum.

#### **6.8 SEN placements:**

- Three new special schools to accommodate the rising demand over the next 10 years. One school opened in September 2017 with two more planned for 2020 and 2021.
- Deliver SEND Commissioning Strategy and action plan to maintain children with SEND in mainstream education;
- Work on coordination of reviews for Individual Specialist Placements (ISEPs) to look at returning in to county, where appropriate and to use creative and evidence based, and cost effective packages of support to keep children and young people in county.
- Review of Health contributions to ensure appropriate levels are being recovered.

#### **6.9 Out of school tuition:**

- Managing in-year budget pressure: a new process has been established to ensure all allocations and packages are reviewed in a timely way and that there is oversight of moves back into full time school. This will include trend and needs analysis of the existing cohort, work with the SEND Divisional Managers and Statutory Assessment Team to undertake deep-dive in to cohort of young people who have been in the receipt of out of school tuition for more than 6 months and also placing immediate additional controls on the approval of packages
- Developing an action plan to ensure financial sustainability and improved outcomes: the transfer of the Out of School Tuition budget to the SEND Services (from November 17) provides an opportunity to use resources differently and to have more cost effective in-house tuition. It is proposed there will be longer term mitigation through potential reinvesting of some of the existing budget in order to create both in-house preventative capacity to work with primary pupils ahead of imminent primary exclusion and also internal teaching/specialist practitioner capacity to delivery alternative education tuition packages for those with an EHCP (instead of agency tuition). This work will feed in to the current strategic review of Social Emotional and Mental Health (SEMH) provision; ensuring there is a coherent graduated response for children and young people experiencing difficulties resulting from their psychological and emotional wellbeing. This review will include support for pupils in school; those at risk of exclusion; and those needing to access short or longer term provision within the county.

## **7.0 SUBSCRIPTION MODEL FOR EDUCATIONAL PSYCHOLOGY**

- 7.1 The aim of the Educational Psychology team is to support schools in developing their capacity to meet the needs of pupils experiencing difficulties and thus to promote inclusion. This is done through applying psychology to direct work with children, their families, school staff and other agencies and indirectly by working in partnership with schools and settings to improve their wider practice in meeting the needs of children and young people.

The SEND Service intends to offer schools the opportunity to maintain or increase their access to Educational Psychologists from April 2018.

Following the outcome of a consultation with schools, schools will have the chance to sign up for a subscription to the Educational Psychologists.

Schools will be consulted on this in February 2018 for implementation April 2018.

## **8.0 ACTION PLANNING FOR LONG TERM SUSTAINABILITY**

- 8.1 Work is under way to develop a detailed action plan, including identified savings so that the HNB will be self-sustainable from 2019/2020. This is likely to involve considerable changes to provision and to support services, many of which are DSG funded.
- 8.2 Under the new national funding arrangements although the schools block will be ring-fenced from 2018 to 2019, local authorities will retain limited flexibility to transfer up to 0.5% (£1.7m) of their schools block funding into another block, i.e. the High Needs Block, with the approval of their schools forum. A consultation with all schools is underway. Any transfer between Schools Block and HNB would be for 2018-19 only as the authority has to consult with schools for transfers between blocks in future years.

## **9.0 RECOMMENDATIONS**

- 9.1 **Present recommendations from the Social Emotional and Mental Health review to School's Forum in January 2018. This will include recommendations for specialist provision and support from SEND Services.**
- 9.2 **Bring detailed Action plan and identified savings for the High Needs Block to School's Forum in January 2018.**
- 9.3 **Bring proposals for subscription for Educational Psychology team to School's Forum in January 2018.**
- 9.4 **Bring key findings and initial recommendations from the SEND Sufficiency/Needs analysis to School's Forum in March 2018.**
- 9.5 **Bring proposal for Tiered funding model for schools and post 16 providers to School's Forum in March 2018.**

