

Schools Forum – 4th July 2019

High Needs Block update

Recommendations:

1. That Schools Forum notes the updates to the High Needs Block.
2. That Schools Forum notes the additional in-year investment of £262k by the Local Authority to stabilise the SEND workforce and enable the SEND system to respond effectively to the Local Area Written Statement of Action.

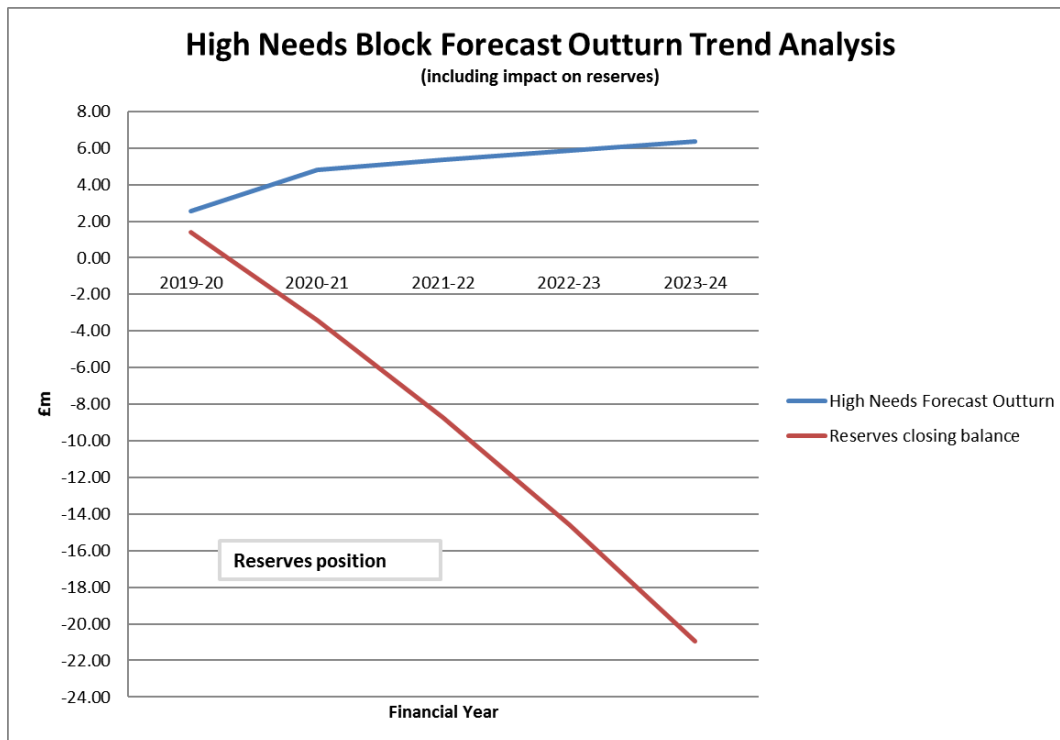
PART A

Reasons for recommendations:

3. Schools forum requested regular updates on the latest position of the High Needs Block including the impact of the additional DfE funding of £1.7m in 2019/20 and the transfer of £2.4m (0.5%) from the Schools Block to the High Needs Block.
4. The forecast outturn for the 2019-20 High Needs Block is £2.54m overspend. Using the latest information, the table below illustrates the effect of the High Needs Block on the overall DSG balances.

DSG Reserves	2019-20 £m	2020-21 £m
Opening Balance	3.95	1.41
High Needs forecast Overspend	(2.54)	(4.81)
	1.41	0
Closing Balance	1.41	(3.40)

The graph below gives further projections based on current spend of the impact on reserves.



5. The outcome of the Local Area SEND Inspection resulted in the requirement to produce a written statement of action. Schools Forum agreed that the written statement of action should inform any further savings within the HNB.
6. In order to stabilise the SEND workforce and enable the SEND system to respond effectively to the Local Area Written Statement of Action, the Local Authority is making an in-year investment of £262k.
7. This is made up of an investment of £162k for additional SEND Key workers and an in-year sum of £100K to commission additional capacity to update and amend current Education Health and Care (EHC) plans; and to provide support to produce additional EHC plans and to manage current demand.

PART B

Background

8. The financial risk of the High Needs Block has been a standing agenda at Schools Forum. The increase in demand on the High Needs Block has mainly arisen from a significant increase in a range of areas. These include:
 - Additional needs requests
 - Increase in pupil numbers requiring EHCPs,
 - Extension of age group to 25 for those with EHCPs,
 - Increase in out of county placements and costs,
 - Increase in Matrix funding for special schools,
 - Increased numbers of exclusions from mainstream schools,

- The funding of increased numbers of pupils out of education.
9. The additional contribution of £1.7m in 2019/2020 and the transfer of £2.4m (0.5%) from the Schools Block to the High Needs Block has led to a budget for the High Needs Block in 2019/ 20 of £79m. This includes £28m for planned places allocated to schools.
 10. The main areas of forecast overspend within the High Needs Block in 2019/20 are provided within the table below. A more detailed overview of the High Needs Block budget is provided within appendix A.

High Needs Budget	2019/20 Budget	Forecast Outturn 19/20	2019/20 Under / (Over) spend
Staffordshire Special Schools and Academies	13,875,972	15,289,609	(1,413,637)
Staffordshire Mainstream Schools	9,735,481	10,727,299	(991,818)
Pupils in other LA Special & Mainstream Schools & Academies	1,098,880	1,210,830	(111,950)
Independent Schools Mainstream	753,793	830,587	(76,794)
Independent Schools Special	9,427,469	10,387,908	(960,439)

11. Although there has been an increase in the High Needs Block the DSG balances will be brought into deficit in 2020/21 without further action.
12. This is a situation that a majority of local authorities in the country are facing and there is national pressure on the government to review the allocation of High Needs funding.
13. The local authority has a strategic vision of increasing the opportunities for districts to have greater management of funding through locality arrangements in order to provide early intervention for need, as well as a consequent reduction in administrative costs, over time, to both schools and the Local Authority. This is being developed through the transformation of the whole SEND delivery model in order to prevent later higher cost needs and pupils being referred into statutory processes.
14. In the academic year 2014/15, 321 EHC assessments were agreed. This has risen to 694 in 2017/18, an increase of 116 percentage points (pp). The total number of EHCPs being maintained by the local authority has risen from 3400 in

Jan 2015 to 4914 in Jan 2019. This reflects an increase of 44pp in the 4 year period.

15. Due to the significant increase in demand for EHC plans, within SCC the current minimum average caseload is 364 cases per FTE SEND keyworker. The current DfE recommendation is 200 cases per FTE. Therefore an additional SEND keyworker capacity is required to bring caseloads to circa 200 and stabilise the workforce and their workflow.
16. Whilst the whole SEND delivery model is being transformed in line with the Local Area Written Statement of Action further due diligence is being completed to review the cost of the SEND assessment team and any ongoing investment that is required. An additional investment of £162k to increase the SEND keyworker capacity has been secured.
17. There is a 20 week statutory timeframe to complete an EHC planning process. This is a key national indicator. Within SCC the increased workload has meant a significant decline in our performance which is currently at 30% compared with 64% during 2018.
18. Due to the increased number of EHCPs being maintained, there is a back log of plans which are waiting to be amended following the annual review process. This is hindering the ability to address the quality of EHC Plans and to ensure that they contribute effectively to the review of the children and young people's needs and the support and help they receive.
19. The Local Authority is providing an in-year sum of £100k to provide additional capacity to update and amend current Education Health and Care (EHC) plans; and to provide support to produce additional EHC plans.

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