

Date of meeting:	Thursday, 19 October 2017
Title of report:	Summary of Impact of the Introduction of the SEND Reforms from September 2014
Type of report: Delete as required	For decision / discussion / information only
Executive summary: Including reason for submission	<ul style="list-style-type: none"> • £4 million potential deficit in High Needs Block funding due to impact of increased assessments and placements in specialist settings • £2.4 million deficit on local authority budget for SEN Home to School Transport • Significant work already underway to address rising demands but they will require time to show an impact on financial situation • Report asks for consideration of recommendations to work collaboratively to review High Needs Block spending into the future
Budget / Risk implications:	Significant
Recommendations:	<ul style="list-style-type: none"> • Receives the report and notes the financial implications • Supports the proposal to establishing a funding forum sub group to look at High Needs Block Funding into the future. • Gives consideration to the transfer of 0.5% of schools block funding into the high needs block in 2018/19
Voting requirements:	
Appendices: To be attached	
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Presenting officer: If not the originator	Howard Emmett and Jane Le Sage

**Summary of Impact of the Introduction of the SEND
Reforms from September 2014****1.0 PURPOSE OF THE REPORT**

- 1.1 The paper provides information on the impact of the implementation of the SEN Reforms across North Yorkshire and highlights specific challenges faced by the local authority and seeks views on possible solutions to address immediate issues in 2018/19

2.0 BACKGROUND

- 2.1 The new SEND practices were introduced as part of the Children and Families Act 2014 with a transitional period until 31 March 2018.

- 2.2 The main changes to legislation are summarised below:

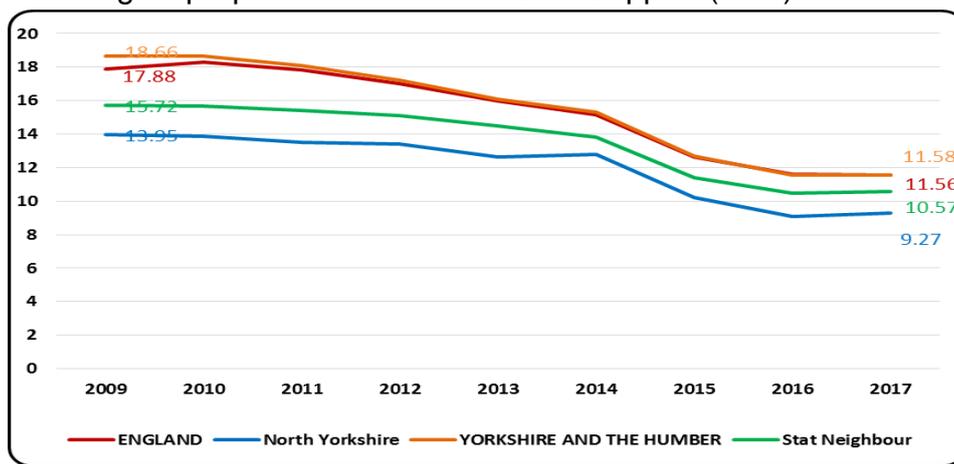
- Local authorities must carry out their function to identify all children and young people with SEN. The threshold for statutory assessment is low and requires a local authority to undertake the assessment if they are of the opinion that the child has or may have special educational needs and it may be necessary for special education provision to be made for the child or young person.
- The age range covers 0-25 years under the new legislation
- From September 2014 children and young people referred to the LA for assessment are considered under the new Education, Health and Care (EHC) 20 week assessment process.
- Local authorities have until the end of March 2018 to transfer statements of SEN into EHC Plans or to cease them.
- In addition the previous School Action and School Action Plus categories have been replaced by a new category SEN Support (K code) and assessment, plan, do, review cycle.
- Schools are responsible for the first £6K of support for children at SEN Support.

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3.0 IDENTIFICATION OF CHILDREN AND YOUNG PEOPLE WITH SEND

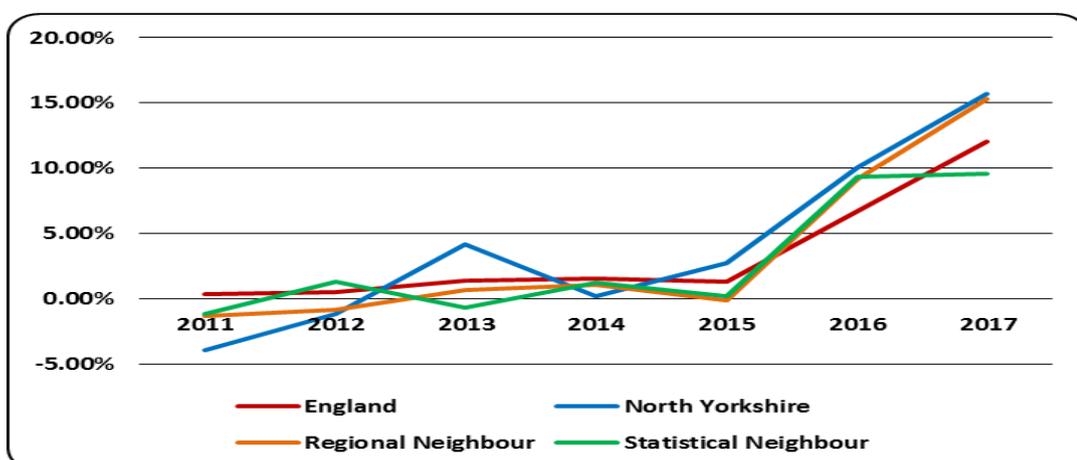
3.1 Children at SEN Support

- Both from a national and North Yorkshire perspective the number of children at SEN Support has decreased since the introduction of the reforms in 2014.
- In 2017 9.3% of the NY school population with special educational needs were SEN Support which is lower than both national and regional at 11.56/8 %.
- In NY the difference is much more pronounced in secondary schools where the rate of SEN Support is approx. 7%, it is 11% nationally.
- In NY children recorded as having moderate learning difficulties make up the largest proportion of recorded SEN Support (27%)



3.2 Children with EHC Plans/statements

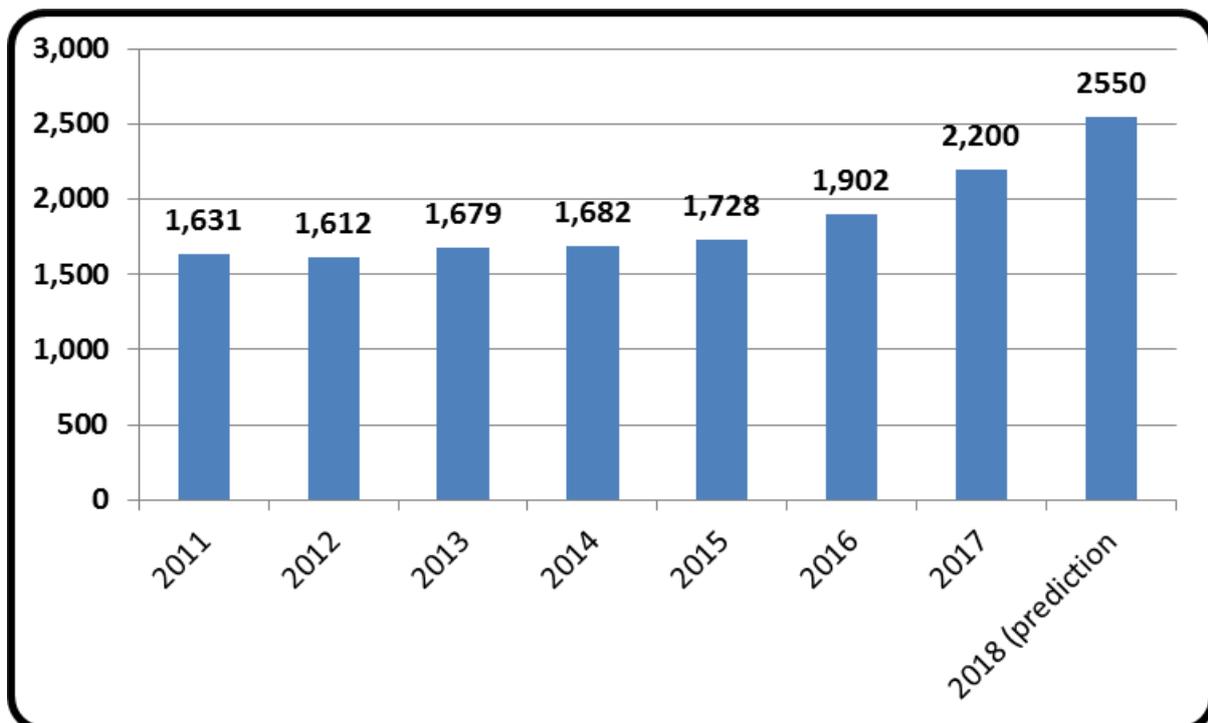
% increase in LA funded statements and plans



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- The rate of change in the number of Statements/EHC plans funded by North Yorkshire has increased steadily since the implementation of the new SEND legislation from September 2014.
- 2.8% of the total national pupil population have a statement or EHC Plan and this has remained constant since 2007.
- The rate of increase over the course of 2016 was slightly higher in North Yorkshire than in England and similar to the regional rate.
- There are currently (September 2017) 2424 Statements or EHC plans funded by North Yorkshire County Council.
- The biggest need is currently for ASD: 27% (SEMH: 18.5%, MLD: 16.5%, SLCN: 11%, PD: 9.5%, SLD: 8%)
- In January 2017, North Yorkshire had the 47th biggest increase in Statements and EHC plans, amongst 152 Local Authorities, when compared with January 2016. This amounted to a 15.7% increase, which was comparable to regional neighbours but higher than the national rate at 12.08%.
- If the current trend continues on an increasing projector NY will have approximately 2550 statements/plans by 2018

EHC plans / Statements of SEN



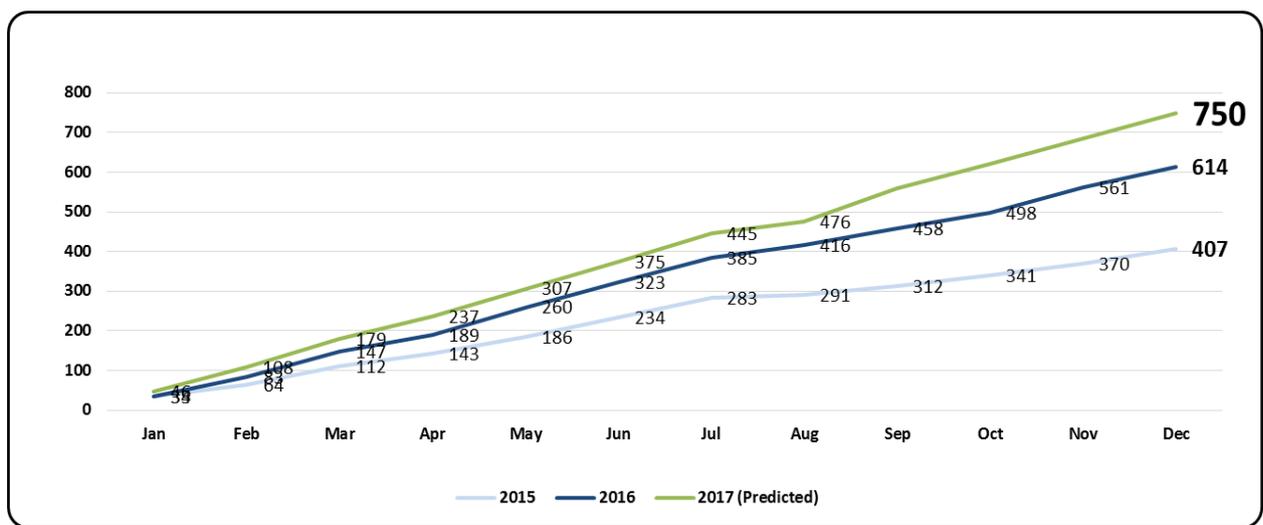
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Count of North Yorkshire funded Statements and EHC plans by age group

Age Group	Jun-15	Jun-16	Jun-17
Under 5	36	45	57
5 to 10	563	618	718
11 to 15	784	804	874
16 to 19	408	498	578
20 to 25	5	62	130
Total	1796	2027	2357

4.0 REQUESTS FOR STATUTORY ASSESSMENT

4.1 Monthly cumulative total of requests for statutory assessment by calendar year



- Requests for statutory assessment have increased year on year since the introduction of the new SEND legislation in 2014.
- The predicted total for the 2017 calendar year is 750.
- The majority (92%) of requests came directly from schools, 7% were from parents.

5.0 RESOURCE IMPLICATIONS of INCREASE IN ASSESSMENTS

5.1 Local Authority Staffing

- Since 2014 staffing within the local authority SEN assessment team has increased by 5.6 posts in order to respond to the demand of EHC assessment but also to improve the quality of casework and engagement with parents/carers and key stakeholders. This has amounted to an

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additional cost of £284K per annum in revenue costs and even now caseloads are high within the teams, at 214 per Assessment and Reviewing Officer.

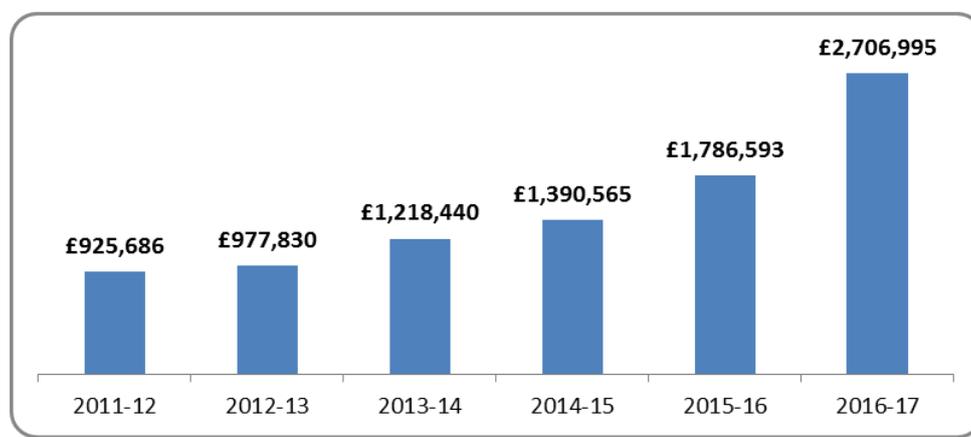
5.2 Special School Placements

- Since the implementation of the reforms there has been an increase in demand for placements in specialist provision. Since 2014/15 the local authority has increased capacity in NY special schools creating an additional 91 places. Over the past academic year (16/17 to 17/18) the local authority has created a further 61 places.
- Special school places are funded from the High Needs Block Commissioning Budget with total funding allocation amounting to £16,733K. (54.9% of the budget)
- Funding for places in NY special schools ranges from £20,465 for day places to £42,465 for residential provision (Brompton Hall and Welburn School)

5.3 Placements in the Independent & Non Maintained Special Schools

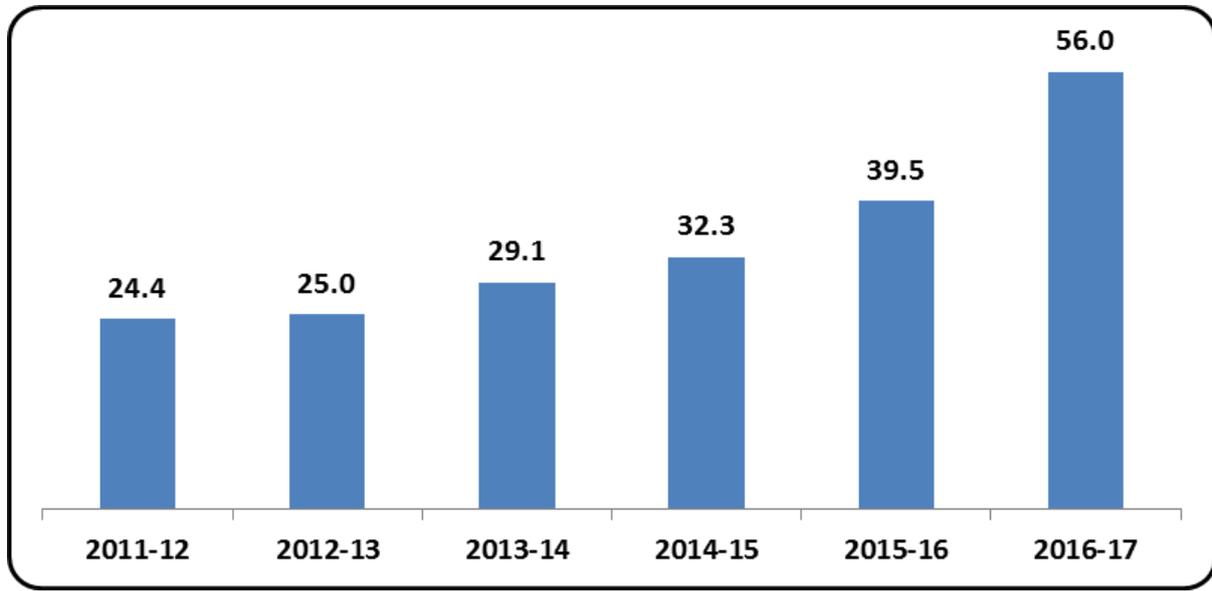
- In 2016/17 there was a 41.7% increase in expenditure for independent or non-maintained day placements
- There are currently 76 children placed in independent and non maintained provision of which 49% have SEMH needs (37), 34% have Autism (26).
- SEMH also saw the highest number of new starters in 2016/17, at 19 and has included a number of girls with SEMH in the East of the county placed with the Cambian Group.
- Costs for placements in the independent and non maintained sector are on average £56,000

Actual Expenditure for Day Out of Authority Placements by Financial Year



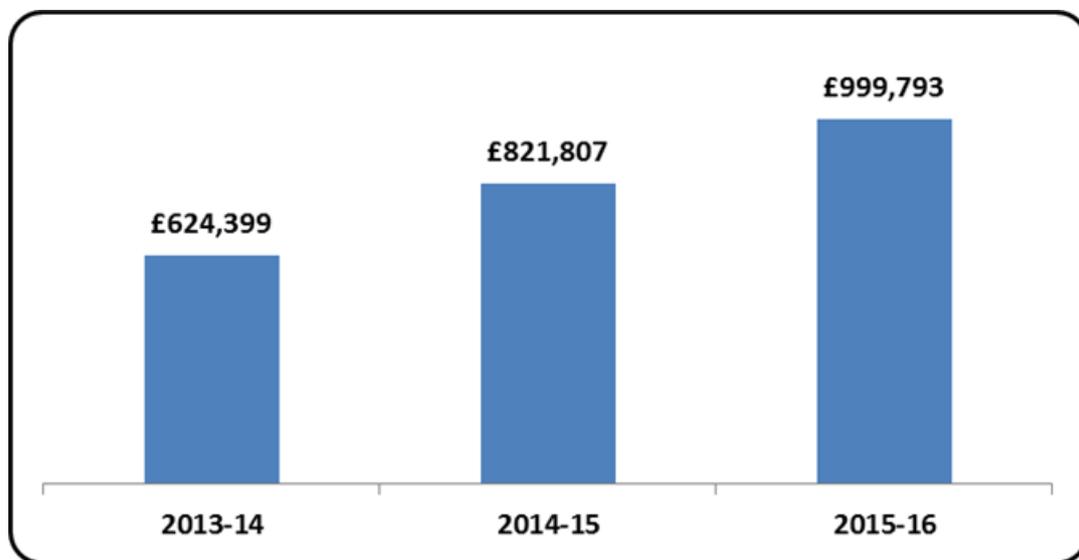
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FTE of Pupils Day Out of Authority Placements by Financial Year



Other LA Special Schools

Actual Expenditure for Other LA Special School Placements by Financial Year



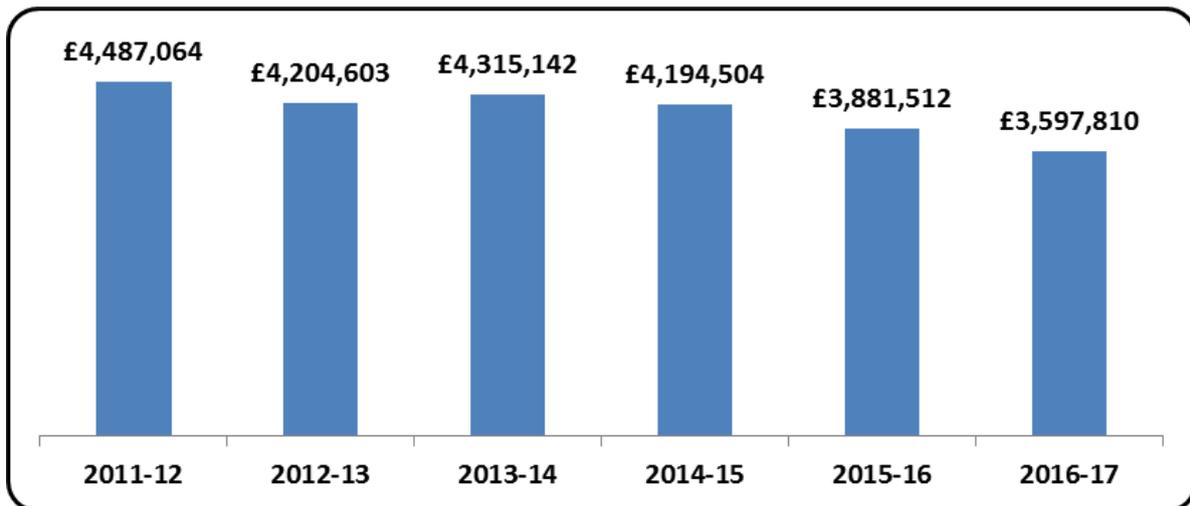
- Actual expenditure for placements in other local authority maintained special schools increased 28.5% in 2016/17.
- There are currently 111 children with these placements
- 31% have Autism as a primary need, 16% have SEMH as a primary need.

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- SEMH saw the highest number of new starters in 2016/17, at 7, 29% of the total number (24), ASD accounted for 25% (6).

Out of Authority 38 week and 52 week Residential Placements

Actual Expenditure for Residential Out of Authority Placements /Financial Year



- Actual expenditure on residential out of authority placements has steadily decreased since 2013/14, representing a 16.6% decrease.
- In 2016/17 there was a £1,030,489 spend on 38 week placements and £2,567,321 on 52 week placements.
- There are currently 21 children on 38 week placements and 21 on 52 weeks.
- 15 children in residential out of authority placements with SEMH and 15 with ASD as a primary need

6.0 IMPACT ON HIGH NEEDS BLOCK FUNDING

6.1 The High Needs Block for North Yorkshire amounts to £44.59 million as specified below

Budget Area	£k	%
Alternative Provision (PRUs, Hospital Provision)	5,350	12.0
Education Psychology	190	0.4
SEN Early Years	249	0.6
Enhanced Mainstream Schools	3,647	8.2
SEN Support & Outreach	2,981	6.7

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Other Budgets	1,670	3.7
High Needs Commissioning	30,503	68.4
TOTAL	44,590	100

- 6.2 The High Needs Commissioning Budget amounts to £30,503K and can be further broken down to illustrate areas of deployment of funding

Budget Line	£k	%
NY Special Schools	16,733	54.9
Mainstream High Needs	5,582	18.3
Early Years High Needs	548	1.8
Independent Schools	2,404	7.9
Non-maintained Schools	675	2.2
SEN Legal Services	25	0.1
OLA Expenditure	1,435	4.7
ISPs	1,669	5.5
Personalised Learning	447	1.5
FE Colleges	856	2.8
Preparing for Adulthood	129	0.4
TOTAL	30,503	100

- 6.3 It is anticipated that the estimated financial pressure in 2017-18 will be in the order of £2.0-£2.5m. This has arisen from cost pressures arising from further placements into independent and non-maintained schools but also in trying to fairly provide top-funding to schools for an additional 300 funded plans without any immediate ability to increase the available budget. This financial pressure is not sustainable and will require a system-wide review of the High Needs Block, and what it funds.

6.4 Element 3 'Top Up' Funding

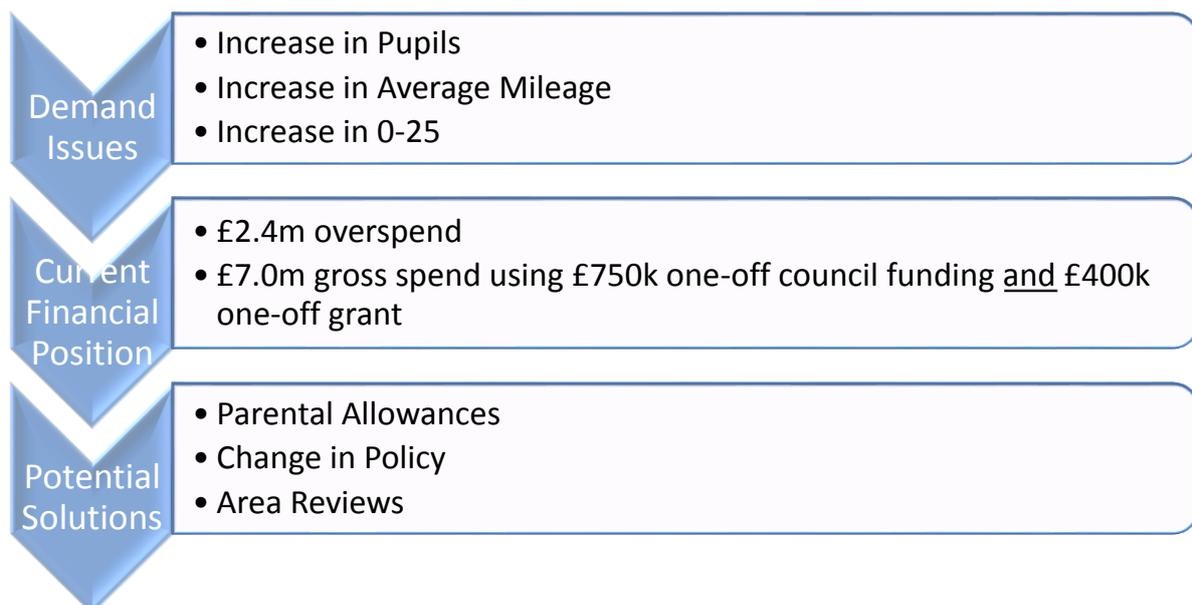
In North Yorkshire the budget for Element 3 top up funding for children with EHC Plans/statements equates to £9.6 million.

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6.5 The significant increase in EHC Plans and CAN Do assessments will, unless corrective action is applied, result in a potential additional overspend of £1.5m. Detailed financial modelling has been undertaken to mitigate the impact but, to a certain extent, this shares the additional pressure across mainstream schools, special schools and the local authority. The aim is to ensure that there is high-quality, financially sustainable provision within North Yorkshire that meets the needs of children and young people; further changes to funding arrangements will be required in addition to a careful prioritisation of how resources within the High Needs Block are deployed.

7.0 **SEN Transport**

7.1 There has been a significant increase in spend (£1.6m) in Special Education Needs (SEN) Home to School Transport over the last three years.



7.2 This has been subject to considerable scrutiny and analysis and a summary has been provided below of some of the key points included in the financial analysis, Primary School pupils has the highest increase of 77 pupils which is 36%. Post 18 have increased by 51 pupils which is 66%. Post 18 also has a high increase in the mileage per pupil of 29% compared with the average of 14%.

	Budget £	Outturn £	Variance £
2014/15	4,873,700	5,545,824	672,124
2015/16	4,899,500	6,219,489	1,319,989
2016/17	5,286,500	7,568,730	2,282,230

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- The budget allocation has increased by £412.8k since 2014/15 but predicted out turn figures indicate an overspend of £2.4 million in 2017/18.

8.0 HIGH NEEDS FUNDING ALLOCATION TO AP/PUPIL REFERRAL SERVICES

8.1 The local authority currently invests a total of £5.4 million in AP/Pupil Referral Services which includes:

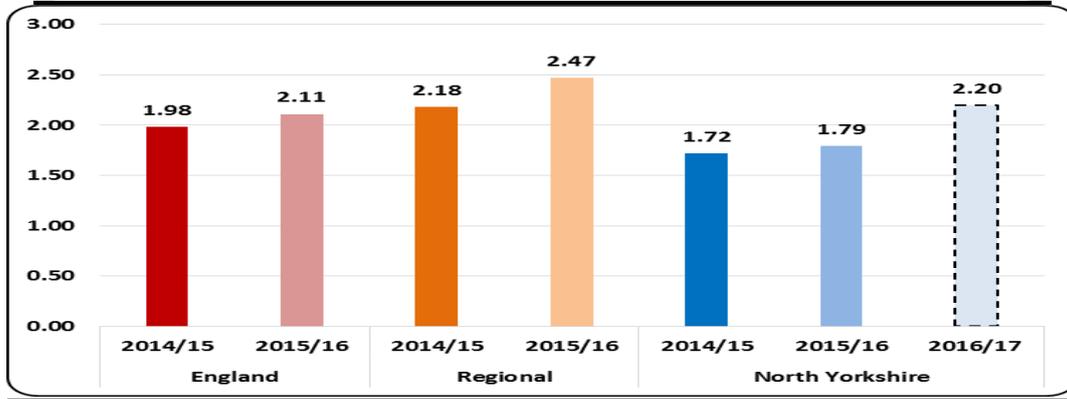
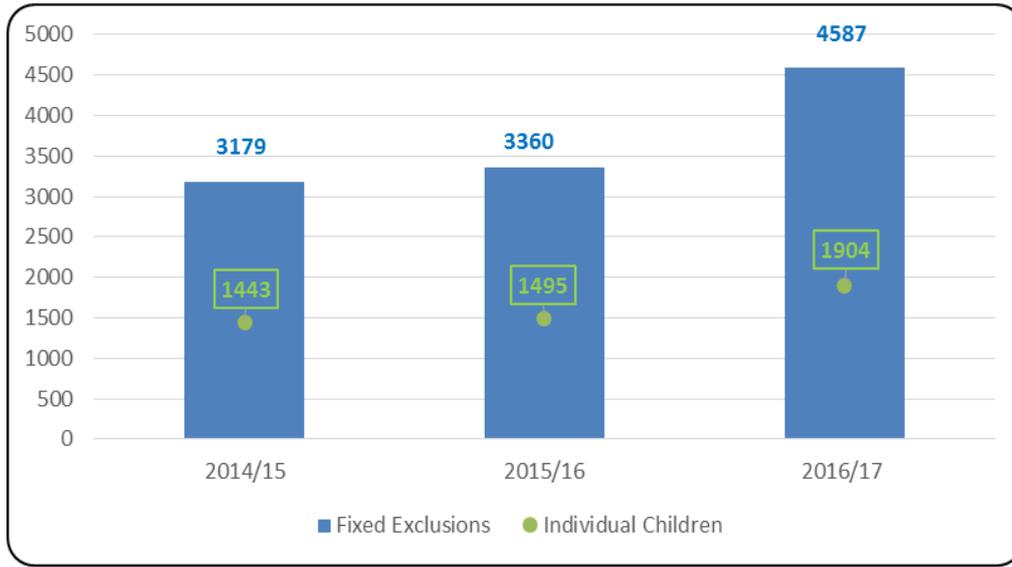
- 88 commissioned places for permanently excluded children at a cost of £19,000 per place. Additional funding is provided if numbers exceed commissioned places
- Statutory education for secondary aged children that are unable to attend school for medical reasons
- Discretionary funding to support early intervention for children at risk of exclusion. This support may include outreach support to schools or packages of alternative provision.

8.2 As indicated in the graph below the numbers of children experiencing fixed term exclusions has significantly increased since 2014/15. In 2016/17 1904 children experienced a fixed term exclusion and 521 (27%) experienced more than 3 exclusions during the academic year. The majority of exclusions were for secondary age children peaking in Years 9 and 10

8.3 If current trends continue fixed term exclusions in North Yorkshire will exceed the national average.

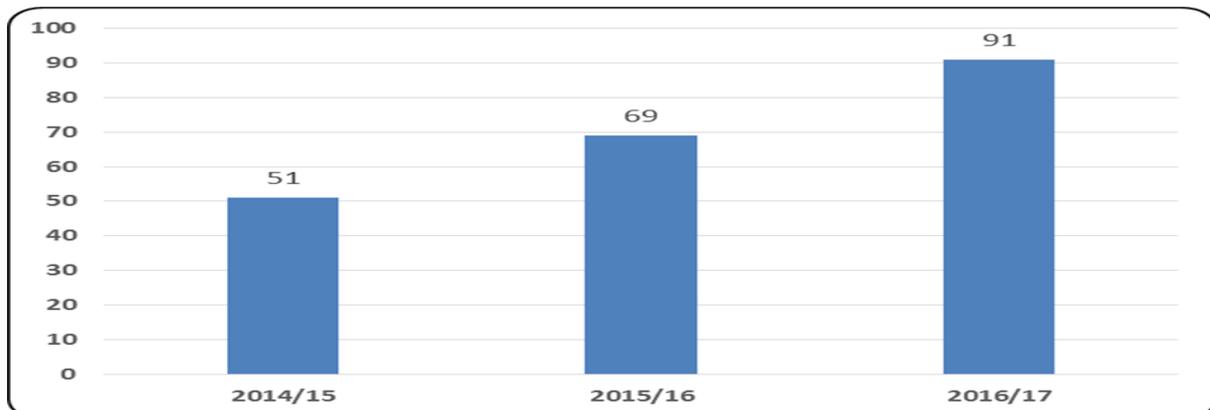
Children fixed term excluded from education

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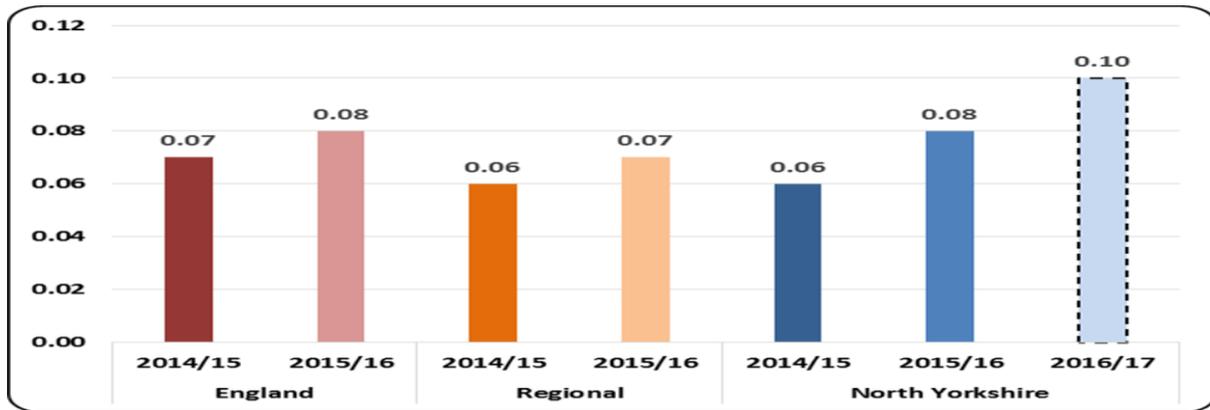


8.4 However despite this investment trends in permanent exclusion have shown a significant increase since 2014/15 as illustrated in the graph below. If current trends continue the use of permanent exclusion in North Yorkshire will significantly exceed the national average.

Trends in permanent exclusions



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8.5 Further discussions are planned with schools regarding the use of the allocation of funding to AP/PRS for preventative work and enhanced accountability for permanent excluded children.

9.0 CONCLUSIONS

9.1 As detailed in this paper there are very significant challenges in terms of the impact of current trends on financial pressures within the High Needs Block and school budgets. These are by no means individual to North Yorkshire and appear to be a similar position experienced by many other local authorities across England.

9.2 In summary the impact of significant increases in funded EHC Plans and demands for special school placements places a recurring pressure on the local authority High Needs Block of **£4 million** (made up of £2.5million placement pressure, £1.5million CAN DO top up funding) together with a £2.4 million deficit in local authority funding in relation to SEN transport.

9.3 As set out in Item 2.1, School Forums have the authority to agree to transfer 0.5% of School Block into High Needs Block to alleviate financial pressures, after taking into account the views of schools and academies. This would equate to £1.6 million in North Yorkshire and if agreed would provide time to manage and reduce the cost pressures which will impact on Specialist provision, local authorities and the Pupil Referral Services.

9.4 Significant work is already underway to undertake a system wide review of SEN across North Yorkshire which encompasses the SEN Support and statutory assessment process, cultural issues across North Yorkshire, sufficiency and nature of provision and funding.

10.0 RECOMMENDATIONS

10.1 That Education Partnership:

- Receives the report and notes the financial implications

**Summary of Impact of the Introduction of the SEND
Reforms from September 2014**

- Supports the proposal to establishing a funding forum sub group to look at High Needs Block Funding into the future.
- Gives consideration to the transfer of £1.6m into high needs block from schools block in 2018-19, as set out in paper 2.1

STUART CARLTON

Corporate Director – Children and Young People’s Service