



## NORTH YORKSHIRE SCHOOLS FORUM

<b>Date of meeting:</b>	Thursday, 17 November 2022
<b>Title of report:</b>	<b>High Needs Budget Update</b>
<b>Type of report:</b> Delete as required	For decision / discussion / information only
<b>Executive summary:</b> Including reason for submission	Report is providing an update on issues pertinent to the development of the High Needs budget for the local authority 2023-24, including the determination of Special school budgets
<b>Budget / Risk implications:</b>	
<b>Recommendations:</b>	The Schools Forum is invited to note the information contained within this report, and identify any issues for further discussion within the High Needs Sub Group.
<b>Voting requirements:</b>	Schools members only / Schools and non-schools
<b>Appendices:</b> To be attached	
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<b>Presenting officer:</b> If not the originator	Martin Surtees

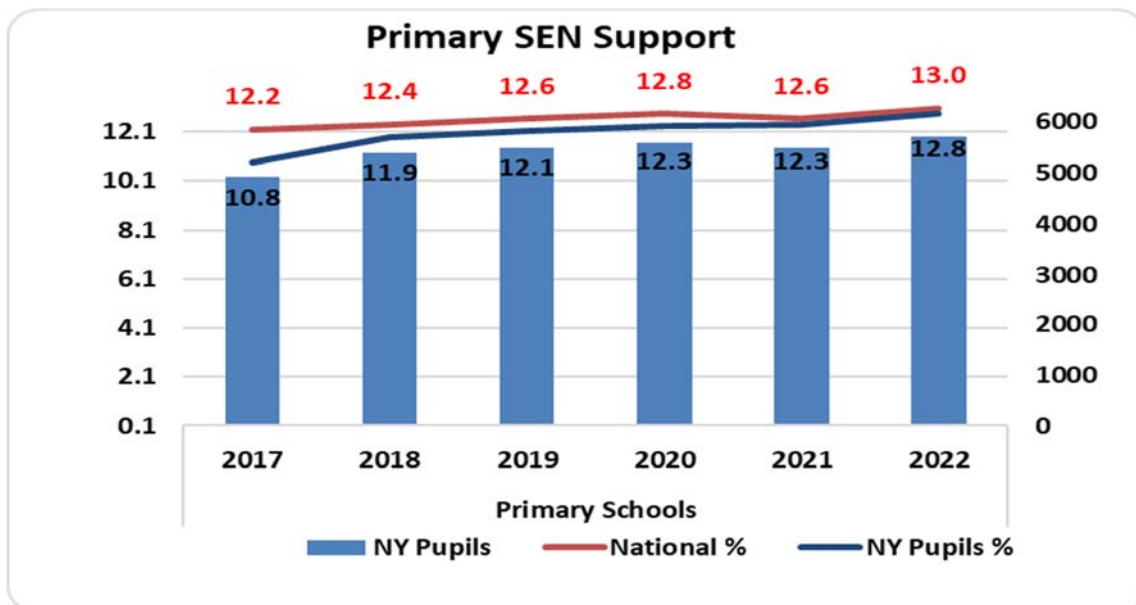
1.0 PURPOSE OF THE REPORT

1.1. The paper provides information on trends with Special Educational Needs and Disabilities (SEND) giving rise to the financial pressures. It summarises the current budget and outlines progress in implementing the Strategic Plan for SEND 0-25.

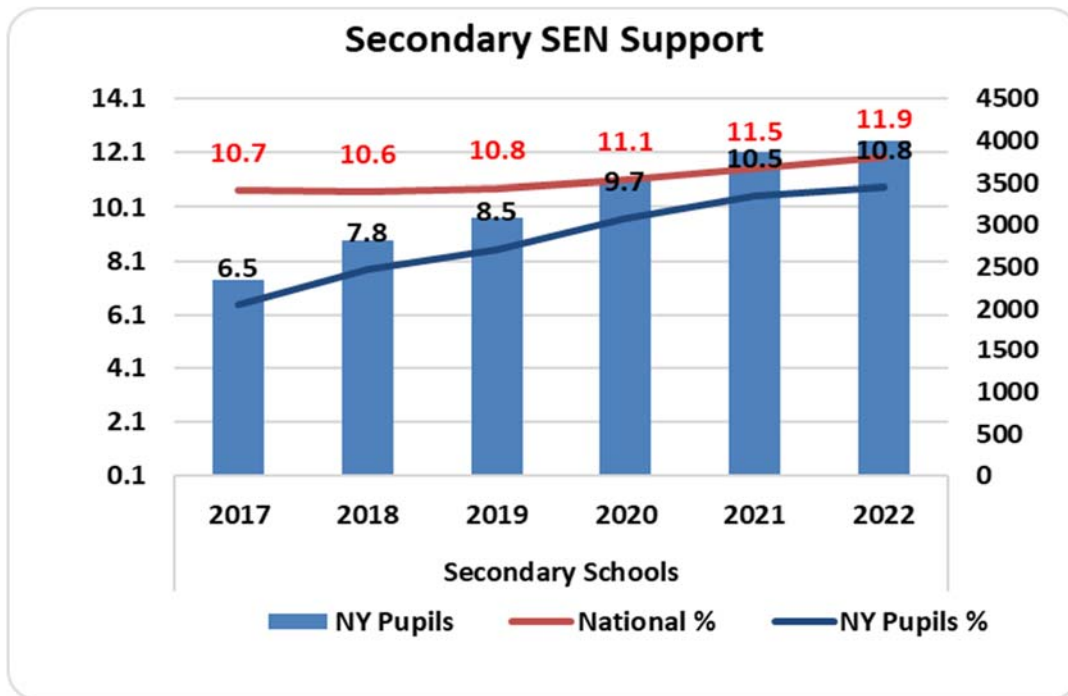
2.0. IDENTIFICATION OF CHILDREN AND YOUNG PEOPLE WITH SEND

2.1. SEN Support

The average rate of children having SEN Support in North Yorkshire primary schools of 12.8% is now very similar to the national rate of 13.0%.



Although increasing identification across NY secondary schools remains lower than the national average benchmark at 10.8%

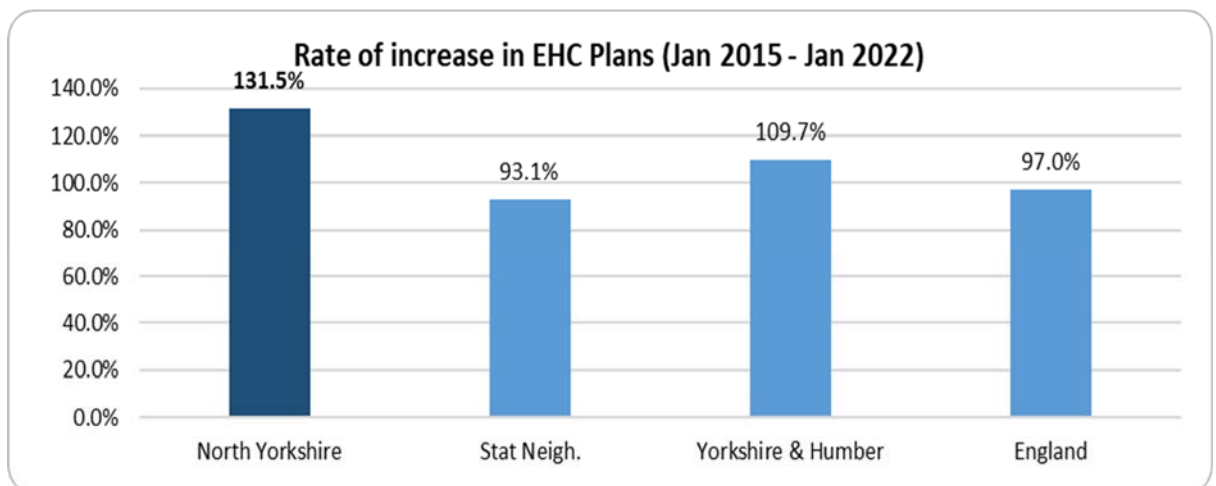


It is important to note that when looking at individual schools identification rates, the profile is very spikey with some school significantly below the national average.

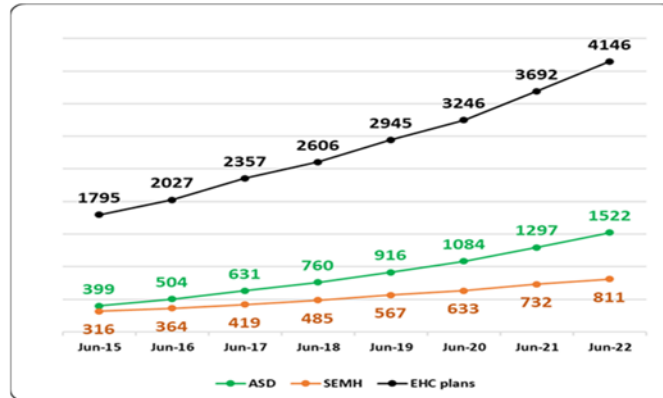
### EHC plans maintained

The increase in EHC plans funded by North Yorkshire since 2015 has been markedly higher than increases nationally and regionally in the same period.

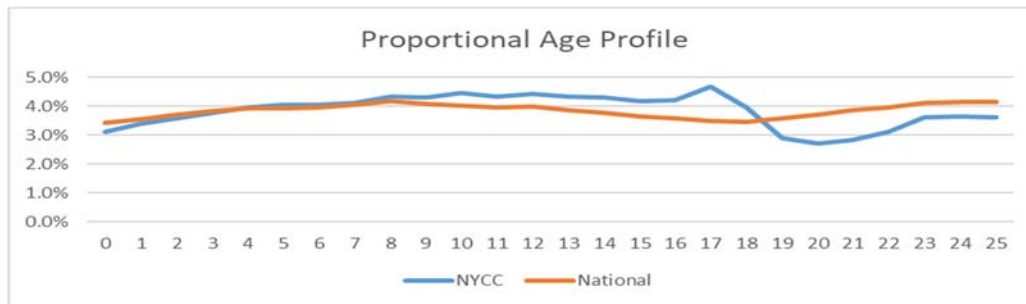
- Total EHC plans funded by North Yorkshire increased by 132% between January 2015 and January 2022, a rate 35% higher than the national rate.



- 2.5% of the 0 to 25 population in North Yorkshire with an NYCC EHC plan, slightly below National rate of 2.7%, as of January 2022 ( census data)
- As of June 2022 there were 4146 EHCPs in NY with the predominant primary need of Autism and SEMH. As of November 2022 there are 4,330 Plans in place



The chart below shows the difference between North Yorkshire's age profile vs. the national age profile – North Yorkshire has a notably higher proportion of 9 to 17 year olds, leading to a reduction in the % with EHCP through the High Needs Benchmarking Tool analysis.



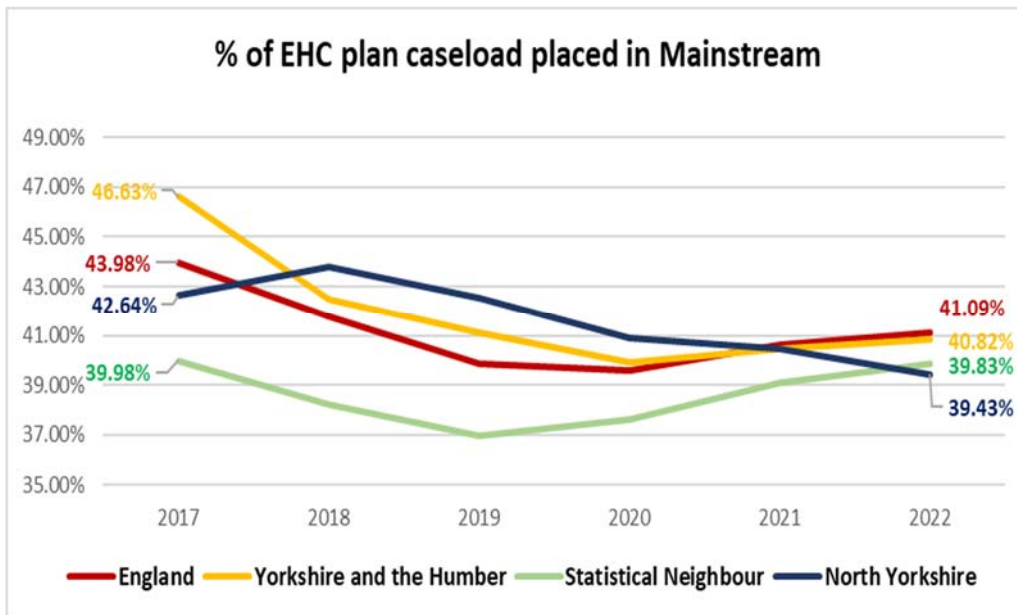
### Age group of children with North Yorkshire EHC plan 2015 to 2022

- Chart 4:** As of January 2022 the majority of the EHC plan caseload in North Yorkshire were for children aged 15 or under (70% of the total of EHC plans). The population of children aged 20 to 25 now represents 8% of the total (326) and has grown since January 2015 in keeping with the inclusion of this age range as part of the new code of practice. The only age range where a reduction has been witnessed has been for children in early years aged 0 to 5, reducing from 141 in January 2019 to 114 in January 2022 which needs further analysis

	2015	2016	2017	2018	2019	2020	2021	2022
<b>Under 5</b>	60	70	50	91	141	126	125	114
<b>Age 5 to 10</b>	593	612	679	865	1040	1034	1165	1249
<b>Age 11 to 15</b>	798	799	859	917	1016	1115	1246	1442
<b>Age 16 to 19</b>	277	418	526	532	523	649	748	869
<b>Age 20 to 25</b>	0	3	86	101	105	178	256	326
<b>Total</b>	<b>1728</b>	<b>1902</b>	<b>2200</b>	<b>2506</b>	<b>2825</b>	<b>3102</b>	<b>3540</b>	<b>4000</b>

Chart 4: age group of children with North Yorkshire EHC plan in January of 2015 to 2022

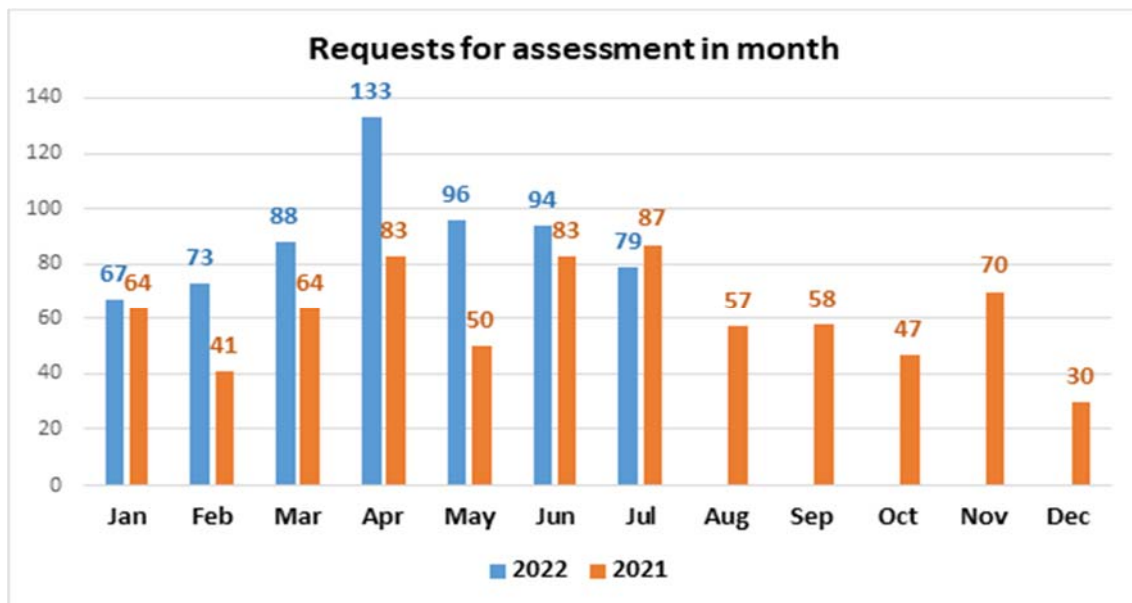
## 2.2 Placements of EHC plans (Page 5 and 8)



- Placements of children with EHCPs has dropped below the national comparator in 2022 at 39.43% as illustrated in the graph above. However included with in Mainstream are Targeted Mainstream provision. According to the SEN2 return, 0.7% of NYCC EHCPs are in TMP, compared to 1.4% nationally. Removing these from the total in mainstream schooling brings the National figure to 38.2%, compared to 38.8% in North Yorkshire.
- There has also been a big increase in the placement type of 'Further Education (FE) in North Yorkshire, +85% between 2019 and 2022, currently 722 are in FE, 18.1% of EHC plans (14.2% Nationally).
- There has been a bigger change in the number of placements in Special schools in North Yorkshire between 2019 and 2022 (+24%) compared to the National increase of (+17.7%).

### 2.3 Requests for Assessment (Page 9)

- The local authority receives around 700 requests for assessment in a year, with an example of the monthly breakdown given below



- The proportion of requests for assessment refused an EHC plan has reduced considerably in North Yorkshire, down from 30.8% in 2018 to 9.3% in 2021, well below National rate (22.3%).
- Concurrently, the rate of requests going to assessment but not resulting in an EHC plan has continued to be well above National rates, 11.3% in North Yorkshire in 2021, 5.9% Nationally. However, this rate has reduced slightly, from 14% in 2018 to 11.3% in 2021.
- The above areas are an area of enquiry to ensure that the local authority to ensure consistency of decision making across partner organisations.
- Despite the above comparisons with National rates, overall initial requests resulting in an EHC plan being issued are very similar to National rates, based on current estimates.

#### 2.4. New EHC plans issued (Page 6 and 7)

- Total EHC plans issued by North Yorkshire in each year have increased from 244 in 2015 to 494 in 2022 (+103%), the rate of increase Nationally is +123% in this period. EHC plans issued by North Yorkshire has not been below 400 since 2017.
- Age ranges of new EHC plans are broadly similar to National rates, however, new EHC plans issued by North Yorkshire were slightly less likely to be for children aged under 5 16.2% of new EHC plans in 2021, compared to 23.2% Nationally.

#### 2.5. Timeliness of issuing EHC plans (Page 11)

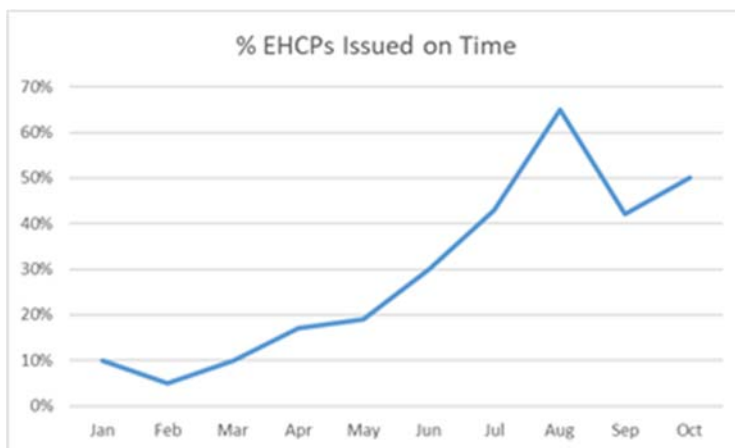
- The proportion of EHC plans issued within the 20 week statutory timeline dropped considerably from a high of 90.4% in the 2019 calendar year to 14.3% in 2021. This has been caused by a number of inter related factors including :
  - Shortage of Educational Psychologists

- Insufficient capacity in the SEN Administrative team to manage increased demand
- SEN Caseworker capacity

Corrective action undertaken by the local authority from 2021 has included:

- Increasing the capacity in the SEN administrative and casework team
- Contracting the majority of EP assessments to an agency until the internal team has been re established
- Fortnightly monitoring of timeliness at senior level across the local authority

Although there is more improvement needed to resume the performance of 2019, there are small signs of recovery with annual performance from January 2022 standing at 33.1% of Plans completed in 20 weeks (national average is 50.1%). Analysis on a month by month basis provides a better picture of improvement although it is still not reflecting stability. Work continues to analyse the discrepancies on a fortnightly basis to ensure improvement continues at pace.



## 2.6 Department for Education Benchmarking

In previous years reports, we have incorporated benchmarking analysis drawn from the DfE high needs benchmarking dataset – available to review on the DfE website. We have flagged previously that the advantages in deploying this dataset are that all local authorities complete it and there should be a reasonable degree of consistency in its completion.

However, this data has not been updated since April 2021, and given that the financial data was last collated from local authorities in 2019-20, and the performance data relates to the SEN2 return completed by authorities relating to January 2020, it was considered that there would be very limited benefit to reviewing this data. Once the high needs benchmark dataset is updated, we will share summaries with both the Schools Forum, and the High Needs Sub-Group.

## 3.0 IMPACT ON HIGH NEEDS BLOCK FUNDING

3.1 The High Needs Block in 2022-23 for North Yorkshire amounts to £64.97 million:

Budget Area	Budget as per March 2022 (£k)	Change since Original Budget (£k)	Forecast Outturn as at 30 <sup>th</sup> Sept. 2022 (£k)	%
High Needs Commissioning	59,557	-198	59,359	90.7
Alternative Provision (PRUs, Hospital Provision)	1,678	-93	1,585	2.4
Inclusion & AD Inclusion	1,508	69	1,577	2.4
	2,493	-7	2,486	3.8
Financial Support	54	0	54	0.1
DSG Overheads	420	0	420	0.6
<b>Estimated Spending</b>	<b>65,710</b>	<b>-229</b>	<b>65,481</b>	<b>100</b>
Estimated Funding	64,509	463	64,972	
Estimated In-year Deficit	1,201	692	509	

- 3.2 The High Needs Commissioning Budget amount to £59,359k and can be further broken down to illustrate areas of deployment of funding.

Budget Line	£k	%
North Yorkshire Special Schools	22,062	37.2
North Yorkshire Mainstream School E3 Top-up Funding	10,246	17.3
Independent and Non-maintained Special Schools	10,276	17.3
Special Provision Institutions	1,802	3.0
Other Local Authority provision	2,555	4.3
Pooled Budget	2,810	4.7
FE Colleges	2,047	3.4



Personalised Learning Pathways	2,076	3.5
ILP's	489	0.8
Early Years	1,005	1.7
Targeted Mainstream Provision	825	1.4
PRU's	2,881	4.9
Other	285	0.5
<b>TOTAL</b>	<b>53,180</b>	<b>100</b>

3.3. The position in relation to the 2022-23 financial year is being kept under close review, so that we ensure that emerging pressures / issues are appropriately incorporated into budget provisions made for the 2023-24 financial year. At the current time we are evaluating the financial outlook for the 2023-24 financial year, and particularly scrutinising the current pattern of requests for assessments so that we set appropriate budget provision for forecast growth in EHCPs, and assessing the challenges posed by our limited ability to expand specialist provision in the short-term.

#### 4.0 STRATEGIC PLAN FOR SEND UPDATE

4.1 The Strategic Plan for SEND Education Provision 0-25 2018-23 (the Strategic Plan) was approved by the Executive in early September 2018, and published in the same month. Since then work has taken place to implement the actions in the plan, in order to achieve our vision for all children and young people with SEND to:

- have the best educational opportunities so they achieve the best outcomes
- be able to attend a school or provision as close to their home as possible
- make progress with learning, have good social and emotional health and be prepared for a fulfilling adult life

4.2 The implementation of the Strategic Plan has been overseen by the SEND Programme Board, and a SEND Implementation group has met regularly to ensure the work progresses in a timely way, and to focus on specific actions. A comprehensive implementation plan is in place.

4.3 The actions in the plan are delivered by a number of teams across Inclusion. The SEND Provision and Resources team carry out oversight and monitoring.

4.4 The Strategic Plan for SEND Education provision is set out across a continuum that includes universal, targeted and specialist provision.

#### 4.5 Key developments in terms of targeted provision for SEND:

- Remodelling of the PRS and AP provision has taken place. New funding arrangements and delivery models were implemented in Sept 2020 and the post implementation review of the PRS model took place in February 2022.
- Targeted Mainstream Provisions – 8 provisions are now operational across the county. A further 2 TMP's will begin operation in January 2022 these are Skipton Academy and Caedmon College. Early feedback has been very positive both from schools and from parents. A further 3 schools have firmly indicated their intention to apply imminently for approval to operate a TMP and growing interest from schools is being explored in most districts.
- Education of Children with Medical Needs-Establishment of the new MES service began in Sept 2020. The new model of provision has a greater focus on supporting young people back into school with jointly managed packages of support between the school and local Authority.

4.6 Key developments in terms of specialist provision for SEND: Mowbray School (Ripon) opened in January 2020 and now offers 60 additional specialist places. Free School developments are continuing in Selby, however the DfE have been delayed in delivering the school. A further Free School Bid has been submitted through the most recent Free School wave for an SEMH Specialist School in Northallerton.

4.7 Locality Boards have continued to operate and expand their membership. These are made up of local leaders from schools, colleges and the LA to work in partnership to identify and address local Inclusion and School Improvement priorities.

4.8 Work has begun on the development of the next iteration of the Local Area's plan for education provision and engagement sessions will be facilitated for all stakeholders between December 2022 and February 2023 to begin shaping proposals.

4.9 The overarching Local Area SEND Strategy has been finalised and LA and Health colleagues will be seeking relevant approvals in December. This Strategy will be jointly owned by statutory stakeholders and other operational plans, such as the new education provision plan and SEND capital programme, will sit beneath it to guide the work of all stakeholders.

#### 5.0 SPECIAL SCHOOLS

5.1. As highlighted to Schools Forum in November, the DfE High Needs Funding operational guidance has stipulated a more prescriptive position in relation to the Special School MFG than has been the case in previous years,

*“Special schools’ MFG for 2023 to 2024 has been set at 3% compared to 2021 to 2022 funding levels. This is to reflect that a proportion of the increased funding received by*

*local authorities over the 2 years, (2022 to 2023 and 2023 to 2024) must be passed on to schools in 2023 to 2024, if it has not already been passed on in 2022 to 2023'*

- 5.2 An inflationary uplift will be applied to E3 top-up funding for the 2023/24 financial year, and will be undertaken using the same mechanism as in previous years. This rate of increase will be applied Special Schools, mainstream schools and other settings. The rate of increase to be applied is currently under review, and the local authority is very mindful of the significant inflationary pressures being experienced by schools in assessing the appropriate rate of uplift.
- 5.3 The local authority currently commissions, via the high needs budget, residential places for North Yorkshire children with SEMH needs at Brompton Hall School. On 8<sup>th</sup> November 2023 the councils Executive approved proposals to cease residential provision at the school, change the designation to include co-educational provision and increase the number of day place incrementally.
- 5.4 In addition, the high needs budget makes significant contributions in respect of placements in independent residential provision for pupils with high levels of complex needs. Other partners including Children and Families Service, Health and Adult Services and Clinical Commissioning Groups (CCGs) meet the balance of these costs.
- 6.0 PRS
- 6.1 In September 2018 transformation of the Pupil Referral Service across North Yorkshire began in line with the actions set out within the Strategic Plan for SEND Provision 2018-23. This aspect of the plan sought to provide a more flexible offer of Alternative Provision to assist schools to reduce exclusion and establish a new funding arrangement that is consistent with special school funding locally and AP funding nationally.
- 6.2 In February 2022 a post implementation review was carried out in partnership with school and PRS leaders with a series of recommendations developed and now being implemented. These include increasing the commission in Craven PRS to aid additional support in Harrogate District as well as the financial viability of the PRS.
- 6.3 It is the LA's intention to increase PRS top-up funding in line with the general increase applied to E3 top-up funding.

## 7.0 TARGETED PROVISION UPDATE

7.1 There are currently 8 Targeted Mainstream Provisions in operation with two further provisions to begin in January 2022. These schools are:

- Wensleydale School
- West Cliff Academy
- East Whitby Academy
- Thirsk School/Sunbeck PRS
- Alverton CP
- Stokesley Academy
- Grove Road CP
- Holy Family School
- The Skipton Academy
- Caedmon College

7.2 The local authority has proposed the introduction of 31 targeted mainstream provisions. The focus for each provision will be to provide full time education for those children with either Communication and Interaction (C&I) or Social and Emotional Mental Health (SEMH) needs. The provisions detailed in 7.1 will realise 80 additional places for children with SEMH and C&I needs.

7.3 It remains the intention of the LA to continue to work with schools and academies to establish 31 provisions across the county as set out in the Strategic Plan. To assist with this, and as part of our capital business case, the LA are making available capital resource from School Condition Grant to fund capital schemes in maintained schools. High Needs Provision Capital Allocation settlement from the DfE will be prioritised for capital schemes within academies. Whilst some localities are now approaching a full complement of these provision (Hambleton- Richmondshire and Whitby) progress in some districts is less well advanced. The LA continues to seek willing schools and academies in these districts to work in partnership with.

## 8.0 UPDATE ON SEND CAPITAL

8.1. We have discussed previously that the authority faces a significant challenge in that we estimate that we could face a shortage of circa 350 specialist places over the next 3 to 5 years, unless we can expand the number of specialist places within the County.

8.2. We have also discussed previously that our priorities for investment would be to:-

- complete the roll-out of Targeted Mainstream provisions
- address the lack of SEMH Provision in the North of the County
- develop a new provision which could support Secondary aged pupils with ASD in a central area within the County
- progress with modest scale high value for money schemes that expand our existing range of specialist provisions, particularly where there is currently very high demand for admissions, and where expansions could enhance the financial viability of the schools.

8.3. The most significant and specific source of funding that we can access to develop a programme is the High Needs Provision Capital allocation (a capital resource

programme where resource allocations to local authorities are managed by the DFE). The specific objective of this programme is to expand specialist provision.

- 8.4. In terms of HNPCA resources, we have been allocated £716k in HNPCA from the 2021-22 allocation round – and an additional £8.468 million from the 22-23 and 23-24 allocation rounds.
- 8.5. We recognise that the DFE formula allocation methodology works on the basis of allocating funds to authorities on a significantly differentiated basis – recognising different rates of population growth between different authorities. We accept that, all other things being equal and in the case of systems operating in a reasonable state of equilibrium, that having higher rates of overall pupil population growth will lead to increased demand for additional specialist provision. We acknowledge that the North Yorkshire pupil population is forecast to be relatively static in future years, and that this explains why our funding allocation per pupil is significantly below the national average (and the lowest in terms of funding per pupil across all English authorities) and why those authorities receiving the highest allocations tend to be in London and the South East (with 14 of the 20 highest funded authorities being London boroughs)
- 8.6. Our contention is that the need of individual local authorities to invest in specialist provision is a function of a wide range of factors – and to us the most significant factors which are not currently recognised in the allocation formula are :-
- Rates of growth in EHCPs – most authorities continue to experience significant rates of growth in EHCP numbers – which creates greater pressure for specialist provision places
  - Baseline level of provision – not all authorities start with equivalent levels of provision, and in North Yorkshire our level of provision is significantly below the national average
  - Sparsity – geographic pupil population distribution
- 8.7. Whilst we have expressed above our significant concerns about the scale of North Yorkshire’s HNPCA allocation compared to both other local authorities and the scale of our specialist provision capacity challenge, we have explore means via which we could “help ourselves”, particularly in relation to :-
- DFE Bidding Opportunities
  - Modest Scale High VFM investments
  - Redirection of School Condition Grant
  - Local Authority Capital Investment
- 8.8. To this end, we have submitted an application as part of the latest DFE Special School Free Wave (October 2022) to secure an SEMH provision in the Hambleton/ Richmondshire area, catering for pupils aged 8-16. We will find out early in the New Year if that bid has been successful.
- 9.0 CONCLUSIONS
- 9.1. This report sets out that the environment for determining our high needs budget for the 2023-24 financial year remains very challenging, particularly the pressures of accommodating forecast further increases in EHCP numbers alongside very significant

inflationary pressures (which have increased in scale since decisions were made about the determination of High Needs DSG for 2023-24.)

- 9.2. As discussed in the September meeting of the Schools Forum, North Yorkshire will be participating in the DFE Delivering Better Value Programme – and we have now had confirmed that we will be part of tranche 3 of that programme, so that the detailed diagnostic assessment work will be kickstarted in July 2023. Significantly, this programme will be accompanied by a grant allocation of £1 million, intended to enable the transformative work required to deliver savings to proceed at pace.
- 9.3. We are hopeful that this review process may identify systems and efficiency improvements, which can contribute to developing a sustainable financial position. However, where we identify earlier opportunities to make progress, we will explore in detail with the High Needs Sub Group.

## 10.0 RECOMMENDATIONS

### 10.1 That Schools Forum:

- Receive the report and note the financial implications.

STUART CARLTON

Corporate Director – Children and Young People's Service