



## NORTH YORKSHIRE SCHOOLS FORUM

<b>Date of meeting:</b>	Thursday, 23 November 2023
<b>Title of report:</b>	<b>High Needs Block Funding Update</b>
<b>Type of report:</b> Delete as required	For Information
<b>Executive summary:</b> Including reason for submission	Highlights the projected financial pressure in the High Needs Block in 2023-24 and subsequent years, and the specific challenges facing the local authority and schools. The report provides information on SEND trends particularly around Education, Health and Care Plans and exclusions.
<b>Budget / Risk implications:</b>	This paper recognises an in-year underlying projected overspend of £3.0m with a projected accumulated deficit of c.£13m by March 2024. The medium-term unmitigated projection is for an accumulated deficit of c.£100m if no further action is taken.
<b>Recommendations:</b>	That members of the Schools Forum note the contents of the report
<b>Voting requirements:</b>	None
<b>Appendices:</b> To be attached	None
<b>Report originator and contact details:</b>	Howard Emmett – AD Resources (CYPS)
<b>Presenting officer:</b> If not the originator	Howard Emmett – AD Resources (CYPS)

## 1.0 PURPOSE OF THE REPORT

- 1.1 The paper provides information on the projected financial pressure in the High Needs Block in 2023/24 across North Yorkshire and highlights specific challenges faced by the local authority and schools. The paper summarises a number of other proposals elsewhere on the agenda.

## 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 Education, Health and Care (EHC) 20-week assessment process;
  - Local authorities had 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.

### 3.0 IDENTIFICATION OF CHILDREN AND YOUNG PEOPLE WITH SEND

#### 3.1 Children at SEN Support

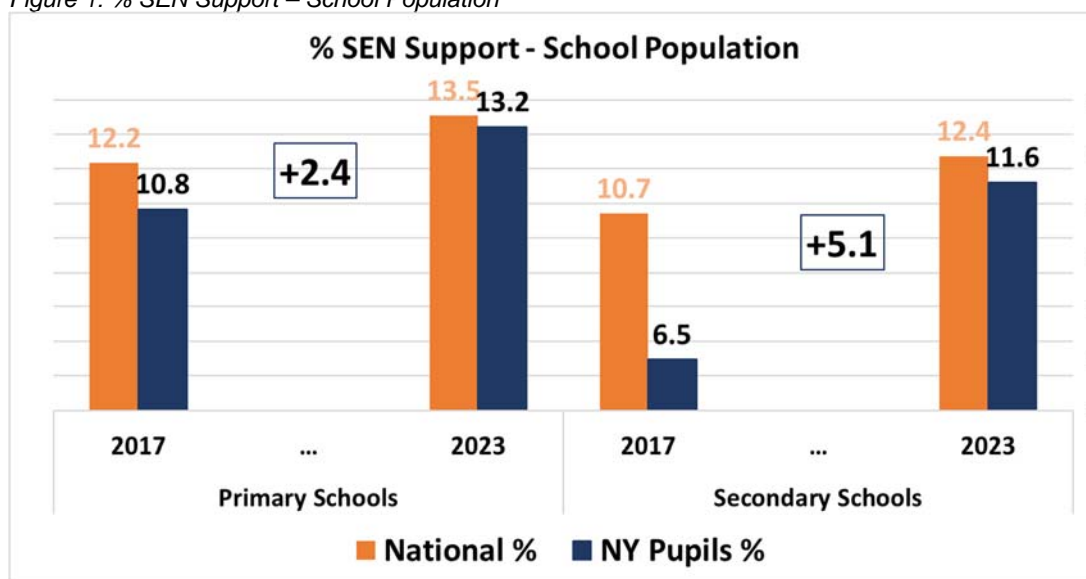
3.2 **Table 1** provides the detail of the number of children with SEN support:

*Table 1: Number of children with SEN Support*

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
North Yorkshire	9,369	9,740	10,177	10,359	10,786	11,331

3.3 The rate of children recorded as having SEN Support in schools in North Yorkshire has continued to be slightly below that of national rates, although there have been increases over the past few years. **Figure 1** shows the rate of children having SEN Support in North Yorkshire primary schools of 13.2% is now slightly below the national rate of 13.5%. The percentage of SEN Support in secondary schools has increased at a greater rate in North Yorkshire than is the case nationally, with the rate now being 11.6% in North Yorkshire and 12.4% in England.

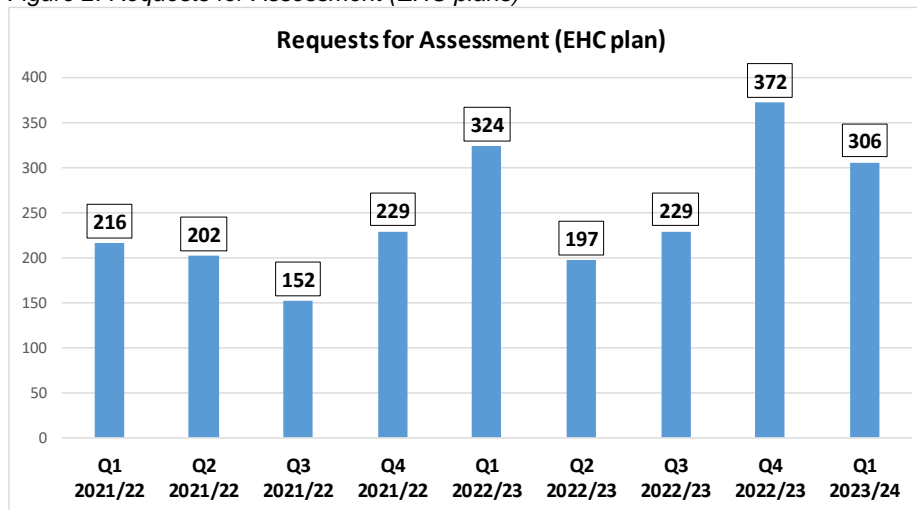
*Figure 1: % SEN Support – School Population*



#### 3.4 Children with EHC Plans/statements

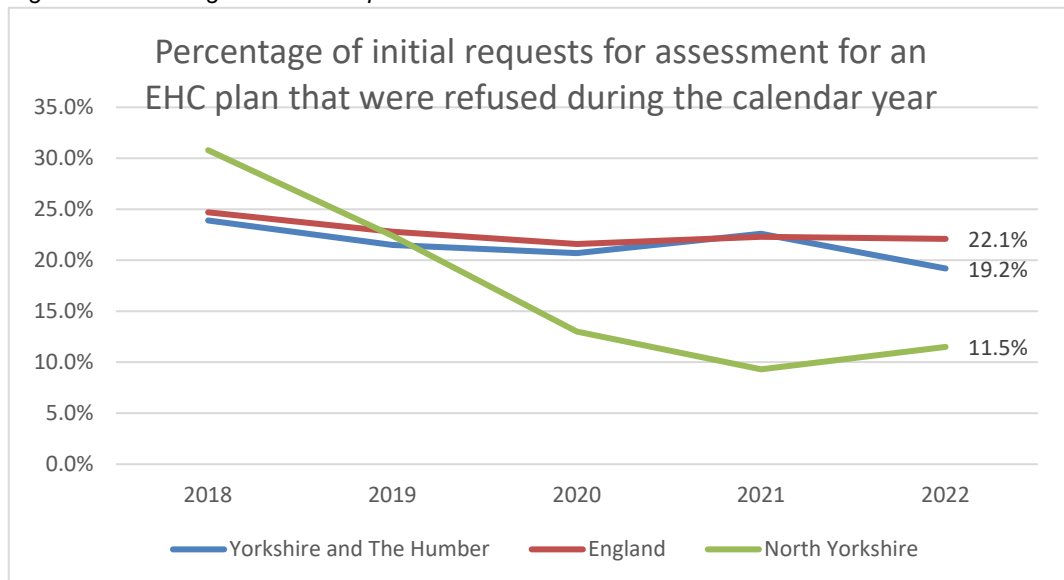
3.5 **Figure 2** shows the requests for an assessment for an EHCP, by quarter, from Q1 in 2021/22 through to Q1 in 2023/24.

Figure 2: Requests for Assessment (EHC plans)



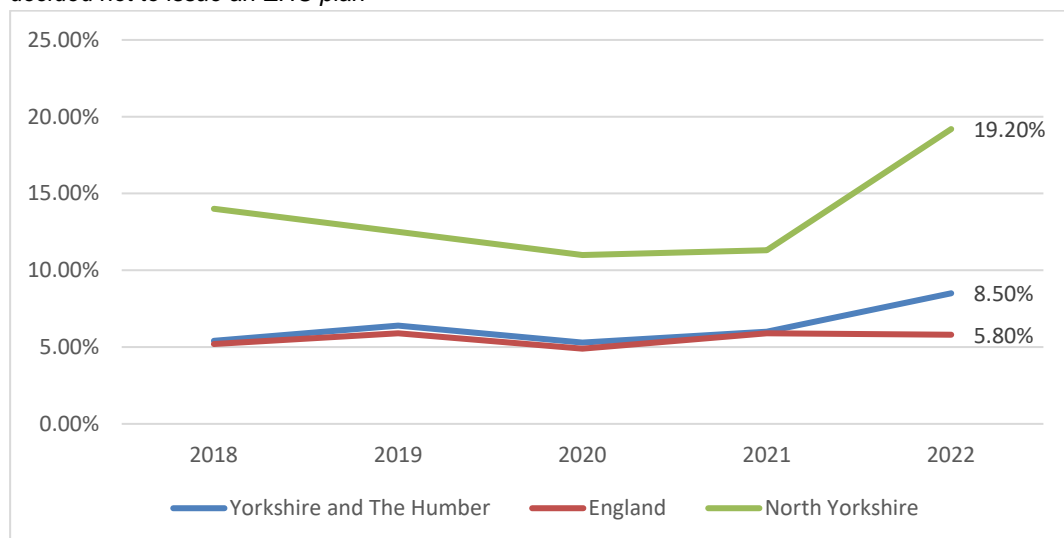
- 3.6 The rise in new EHC plans being issued by North Yorkshire Council is a consequence of an increasing demand for assessments seen during the course of the previous year, and this demand appears to be continuing into the new year. There was a large spike in requests received approaching the end of the 2022/23 financial year; a total of 372 requests were received in Q4 of 2022/23, a higher total than any previous year. Totals for Q1 2023/24 (n=306) appear to be similar to the high level witnessed last year.
- 3.7 North Yorkshire's rate of plans refused (11.5%) is significantly lower than the national rate (22.1%) and the regional rate (19.2%). Despite being significantly lower than the regional rate, it should be noted that from 2021 to 2022 the North Yorkshire rate increased slightly, whereas the regional rate dropped slightly. The national rate has remained reasonably static across all years. **Figure 3** shows the percentage of initial requests for assessment for an EHC plan that were refused during the calendar year.

Figure 3: Percentage of Initial Requests for an EHC that were refused



- 3.8 Unlike the number of initial requests for assessment which were refused, the North Yorkshire rate for young people assessed during the calendar year for whom it was decided not to issue an EHC Plan (19.2%) is significantly higher than both the regional (8.5%) and national rate (5.8%) as indicated by **Figure 4**:

Figure 4: Percentage of children and young people assessed during the calendar year for whom it was decided not to issue an EHC plan



- 3.9 The rate of growth in EHCPs (EHCPs and Statements combined) has more than doubled since 2017 to 2023. **Table 2** indicates that the North Yorkshire rate of increase (+101%) is greater than the regional and national rates which are both around +80%.

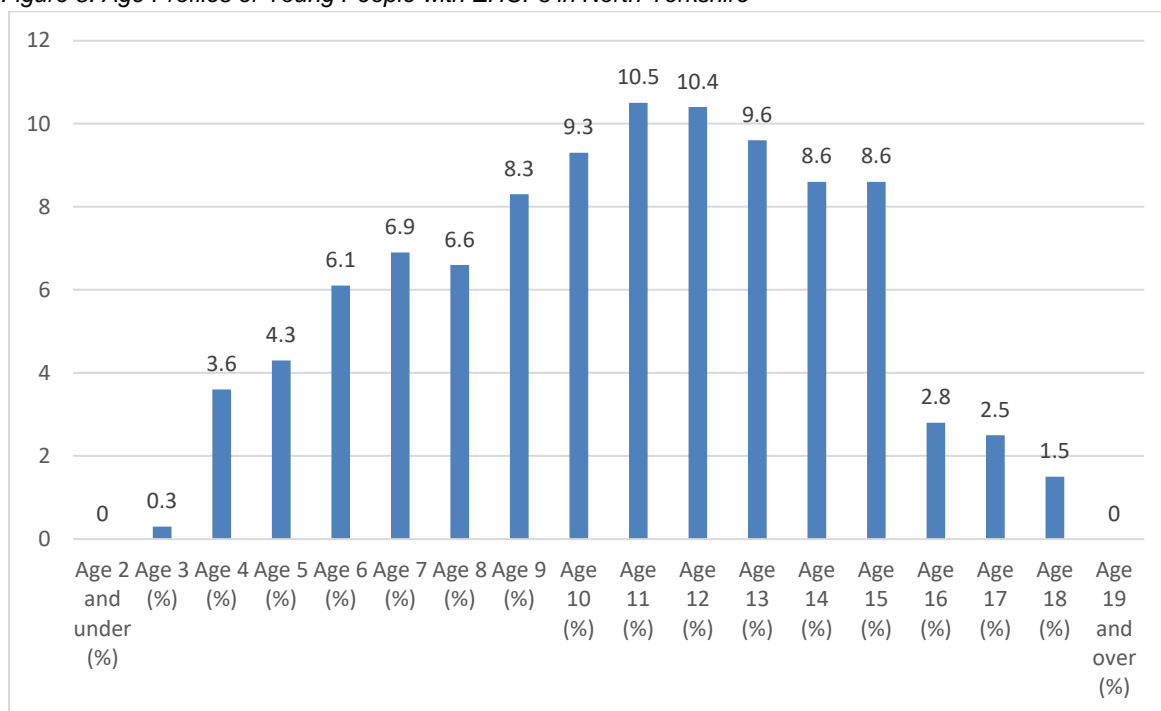
*Table 2: Increase in North Yorkshire EHCPs compared with national/regional comparators*

	2017	2018	2019	2020	2021	2022	2023	% Increase from 2017 - 2023
England	287,290	319,819	353,995	390,109	430,697	473,255	517,049	<b>+80%</b>
Yorkshire and The Humber	25,266	28,428	31,792	35,164	38,506	42,072	45,950	<b>+82%</b>
North Yorkshire	2,200	2,506	2,825	3,102	3,540	4,000	4,427	<b>+101%</b>

3.10 A total of 386 EHC Plans were discontinued in 2022. Over half (55%) of these discontinued plans were because the ‘young person no longer wishes to engage in education or training’. The next most significant (21%) reason was ‘moved onto paid employment excluding apprenticeships’.

3.11 Around 40% off all EHCPs in North Yorkshire are for those aged 10-13. These figures are broadly similar to the national age profile of children with EHCPs – see **Figure 5**.

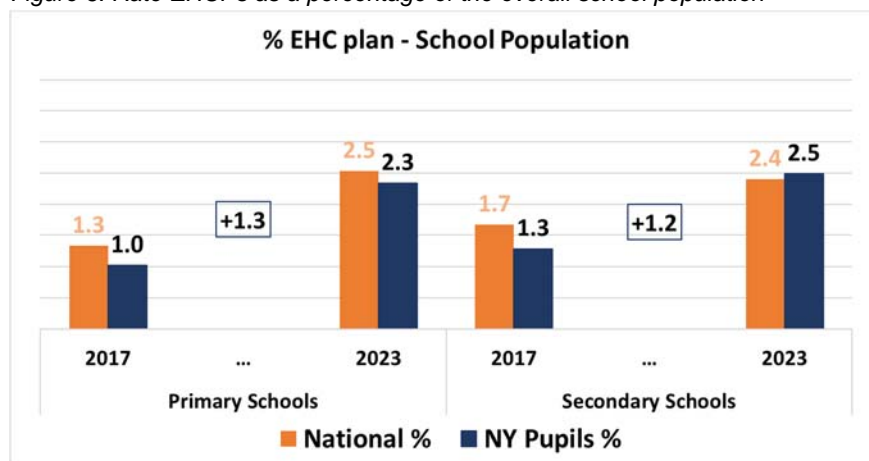
*Figure 5: Age Profiles of Young People with EHCPs in North Yorkshire*



3.12 The rate of children recorded with EHC plans in schools in North Yorkshire has previously been lower than national rates. Although overall North Yorkshire continues

to be below the national benchmark, the rate of increase in North Yorkshire has exceeded the national increase. **Figure 6** illustrates the rate of EHCPs compared with the overall school population.

Figure 6: Rate EHCPs as a percentage of the overall school population



- 3.13 The rate of children with EHC plans in North Yorkshire primary schools has increased from 1.0% in 2017 to 2.3% in 2023 and is now slightly under the national rate of 2.5%. The percentage of children with EHC plans in secondary schools has also increased in North Yorkshire from 1.3% in 2017 to 2.5% in 2023 and is now higher than the England rate of 2.4%.
- 3.14 **Table 3** provides a forecast for future EHCP numbers and is based on the historical trend in overall EHCPs in January of each year and the proportion as at 2 November 2023. This projection is based on trend and does not take into account external factors which may influence the outcome. For example, national or local decisions which may impact on the requests and issuing of EHCPs or the size of the year cohorts. The Census 2021 shows a declining young population in North Yorkshire.

Table 3: EHCP forecast for North Yorkshire

	Jan	Jan	Jan	Jan	2nd Nov	Jan	Jan	Jan	Jan	Jan
	2020	2021	2022	2023	2023-	2024	2025	2026	2027	2028
Total EHC plans	3,102	3,540	4,000	4,427	4,727	4,985	5,613	6,320	7,116	8,012

### 3.15 Placement of children with an EHC Plan

- 3.16 **Figures 7, 8 & 9** indicate that timeliness of new EHC plans issued is challenging, impacted by the reduction in timeliness of receiving advice (6-week timeline)
- 33.9% (282 of 831) of EHC plans issued in 20 weeks in 2022 calendar year
  - A dip to 16.1% of EHC plans issued on time in September 2023 (9 of 56)
  - Down from 72% of EHC plans issued on time in June (69 of 96), a monthly high
  - In 2023 to date (30<sup>th</sup> September) 559 EHC plans have been issued
    - 52% (288) have been issued on time
    - Approx. 652 were issued in the same period in 2022
  - National timeliness currently reported at 54%

Figure 7: 20-week Performance/ Timeliness

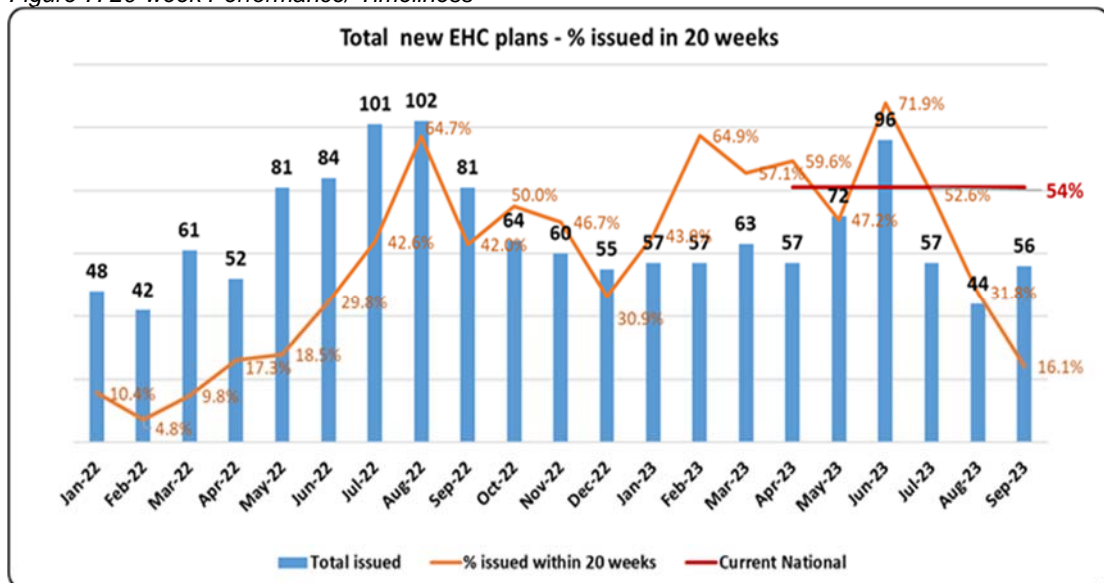


Figure 8: Issuing new EHC plans in North Yorkshire

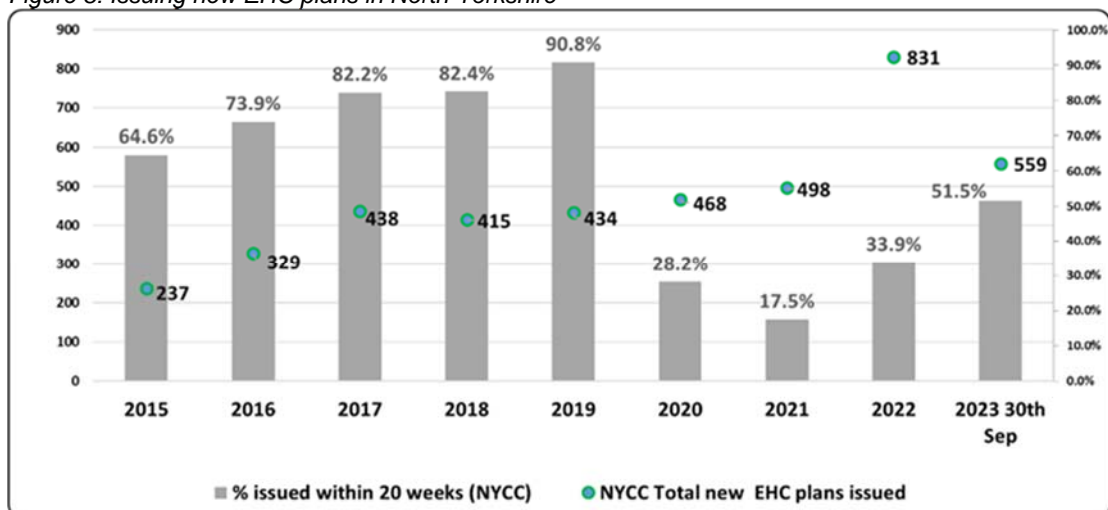
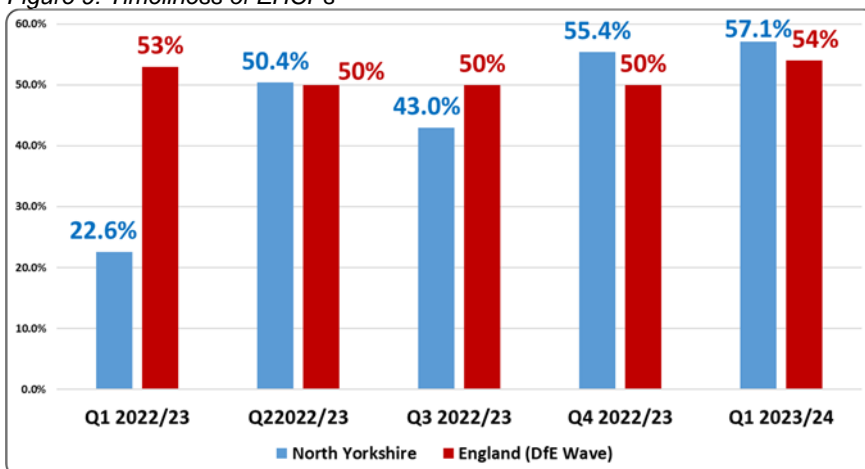


Figure 9: Timeliness of EHCPs



### 3.17 Mediations

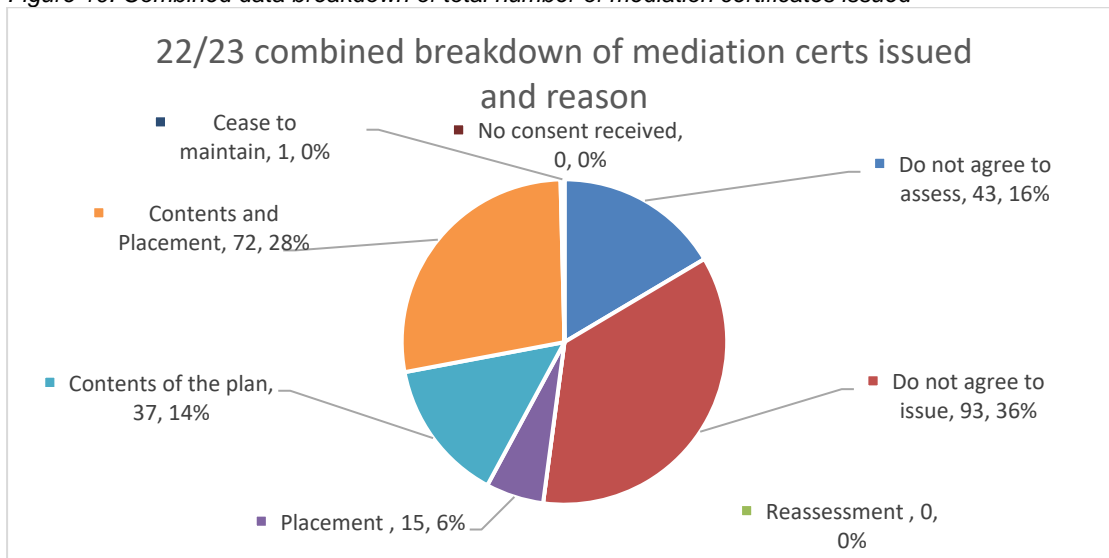
- 3.18 During the financial year 2022/23, 162 families proceeded to mediation, with 99 families choosing not to go to mediation - instead requesting a certificate to go to tribunal. Of the 162 mediations which took place the Local Authority upheld the original decision not to assess or issue an EHC plan for 61 cases.
- 3.19 During the financial year 2023/24 (until 10/09/2023), 124 families proceeded to mediation, with 55 families choosing not to go to mediation, instead requesting a certificate to go to tribunal. Of the 124 mediations which took place the Local Authority upheld the original decision not to assess or issue an EHC plan for 35 cases.
- 3.20 Comparatively, during the same period (01/03 to 10/09) in 2022, the LA conducted 64 mediations compared to 124 in 2023 - a 94% increase. **Table 4** and **Figure 10** provide further breakdown of mediation data:

Table 4: Proceeded to mediation breakdown: Requests to assess and issue an EHC plan

	22/23	23/24
Total Number of mediations which took place	162	124
Number of cases @ mediation: not agreed to assess	36	44
Number of cases heard not agreed to assess overturned	19	33
Number of cases heard not agreed to assess where original decision upheld and alternative solution sourced	17	11
Number of cases @ mediation: not agreed to issue	70	41
Number of cases heard not agreed to issue overturned	26	17

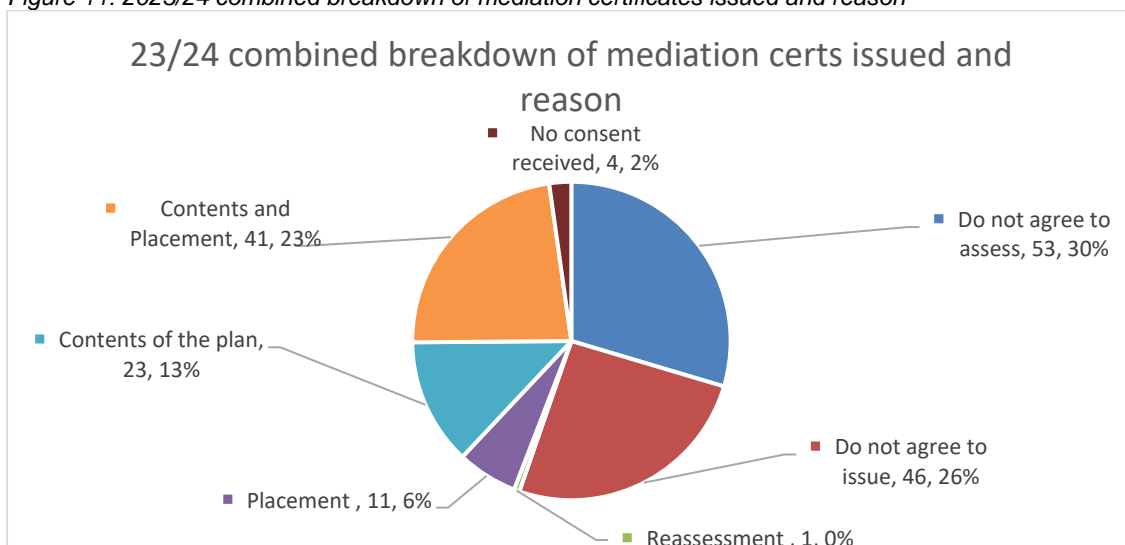
Number of cases heard not agreed to issue where original decision upheld and alternative solution sourced	44	24
Number of cases where disputing placement or contents of the EHC plan, reassessment or cease to maintain	56	39
Number where mediation was declined, and families proceeded straight to certificate / tribunal	99	55

Figure 10: Combined data breakdown of total number of mediation certificates issued



3.21 The above dataset represents the combined reasons for mediation certificates being issued in the financial year 2022/23. Only 162 went to mediation with 99 going straight to certificate rather than a mediation taking place. The majority of certificates issued were regarding an EHC plan not being issued 93 (36%), with contents of the EHC plan including placement disputed in 72 cases (28%).

Figure 11: 2023/24 combined breakdown of mediation certificates issued and reason



- 3.22 **Figure 11** represents the combined reasons for mediation certificates being issued in the financial year 2023/24 (01/03 to 10/09). Please note only 124 went to mediation with 55 going straight to certificate rather than a mediation taking place. The majority of certificates issued were regarding the LA not agreeing to an EHC assessment 53 (30%), with an EHC plan not being issued 46 (26%) with contents of the EHC plan including placement disputed in 41 cases (23%).

### 3.23 SEND Appeals at Tribunal

- 3.24 A SEN Appeals & Tribunals deep dive took place in 2023 which provided an overview of SEND appeals until financial year 2021/22. The key headlines were:
- Both SEN2 and Internal appeals data, whilst looked at over different timescales, showed similar trends, with numbers reducing over the course of 2019, 2020 and 2021.
  - According to the data reported through SEN2, there is a clear correlation between the proportion of initial requests refused and the number of mediation cases
  - The rate of mediations/appeals has a looser correlation to the number of overall EHC Plans, although the impact of the pandemic over the past 2 years may be affecting this.
  - Looking at the academic year to date, 2021/22 has seen a significant increase in the number of appeal claims made.
    - The average number of new appeals over the first 2 months of the academic year between 2017/18 and 2021/22 was 14. In 2022/23, this has tripled to 42.
  - A majority of appeals from 2019/20 onwards are linked to the '*content of the plan*', having seen a downturn in appeals linked to '*refusal to assess*' and '*refusal to issue*'.
  - Looking at the outcomes of appeals, in a majority of cases, either the LA concedes, or they end in a consent order.
  - As of November (2022), there were 92 on-going active appeals
    - Of these active appeals, 78 are in relation to the content of the plan.
  - The average age of active appeals (based on the age at claim) is 11 – this potentially aligns with issues arising at the transition between primary and secondary.
- 3.25 Historically data has shown a majority of claims are for pupils of compulsory school age. Whilst the numbers fluctuate each year, we have consistently seen more than half of 60% of appeals fall within the 5 to 15 age group. Since 2017, the proportion of SEN appeals relating to Primary School age pupils (i.e., 5 to 10) has reduced (from 48.8% in 2018/19 to 36.2% in 2021/22); the proportion of Secondary pupils has increased from 30.2% to 49.3%.

Broad Appeal Reason	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Cease to Maintain		1			2	1		
Content of Plan	8	15	20	43	29	46	36	52
Disability Discrimination		1		1	2	6	2	1
Refusal to Assess	6	3	15	25	29	6	9	4
Refusal to Issue		6	6	13	24	9	7	12
Total Tribunal requests	15	26	41	82	86	68	54	69

- 3.26 In 2022/23 there were a total of 104 tribunal requests, an increase of 50.7% compared to 69 in 21/22. Appeals regarding the refusal to assess and issue have also risen. The number of appeals to assess rose by 11 (15) from 4 with the number of appeals to issue an EHC plan rising by 10 (22) from 12.

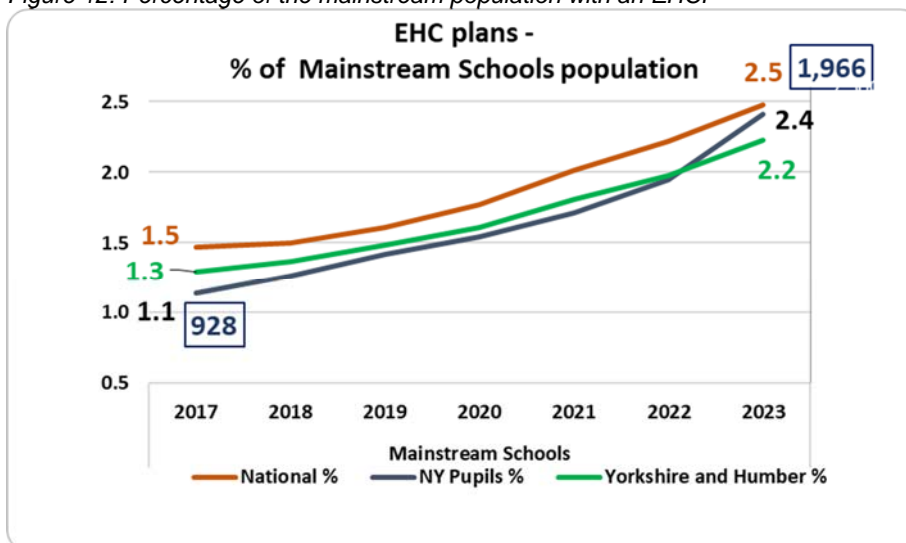
Table 6: Reason for Appeal

Reason for Appeal	2022/23 that have been completed	2023/24 that have been completed	Ongoing appeals from 2022 - current
Cease to maintain			
Content of Plan	66		85
Disability Discrimination	1		2
Refusal to Assess	15	2	1
Refusal to Issue	22		9
Total tribunal requests	104	2	97

### 3.27 Placement of children with an EHC Plan

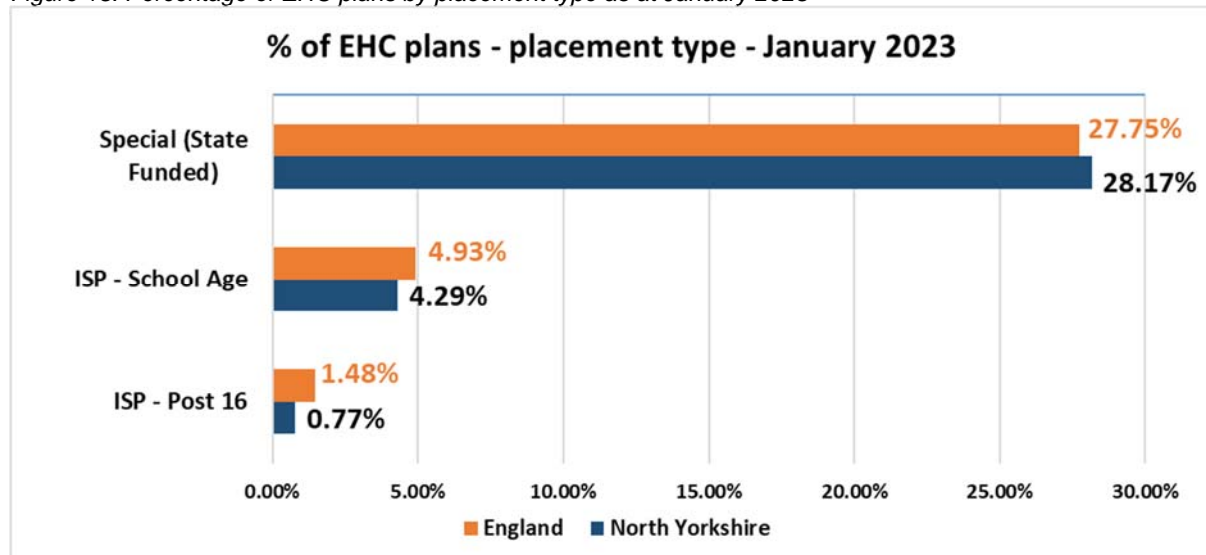
- 3.28 As at the January School Census, 2.4% of the mainstream school population (1,966 pupils) have an EHC plan. This is similar to the national rate (2.5%) and higher than regional rate (2.2%) – see Figure 12. This represents an increase of +1.3pp (928 pupils) since 2017.

Figure 12: Percentage of the mainstream population with an EHCP



- 3.29 28% of children are in a special (state funded) school – 1,247 children in January 2023, compared to 818 in 2017. This is a very similar trend to the national position (27.8%) – see **Figure 13**. The number has increased by 429 (+52%), whereas the national increase over the same period is +35%.

*Figure 13: Percentage of EHC plans by placement type as at January 2023*

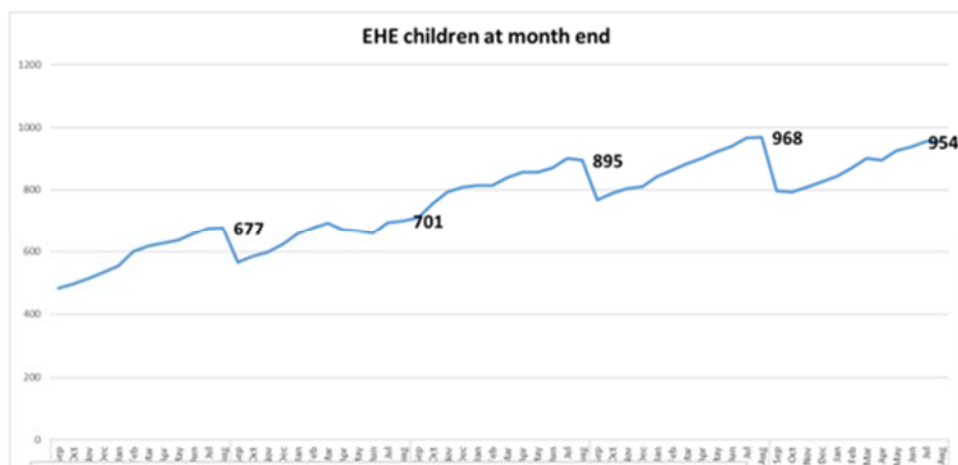


- 3.30 The Department for Education reports that proportion of EHC plans in Independent Specialist Provision (ISP) are also similar to national rates.

### 3.31 Elective Home Education

- 3.32 In October 2023, there were 871 children who were electively home educated (EHE) and 189 were categorised as SEN Support.

*Figure 14: Number of Electively Home Educated Children*



- 3.33 The steep increase during Covid appears to be stabilising. North Yorkshire levels of EHE are comparable to national rates of approximately 1% of the school population.

The main reason given for home education is the stress/anxiety caused by school attendance.

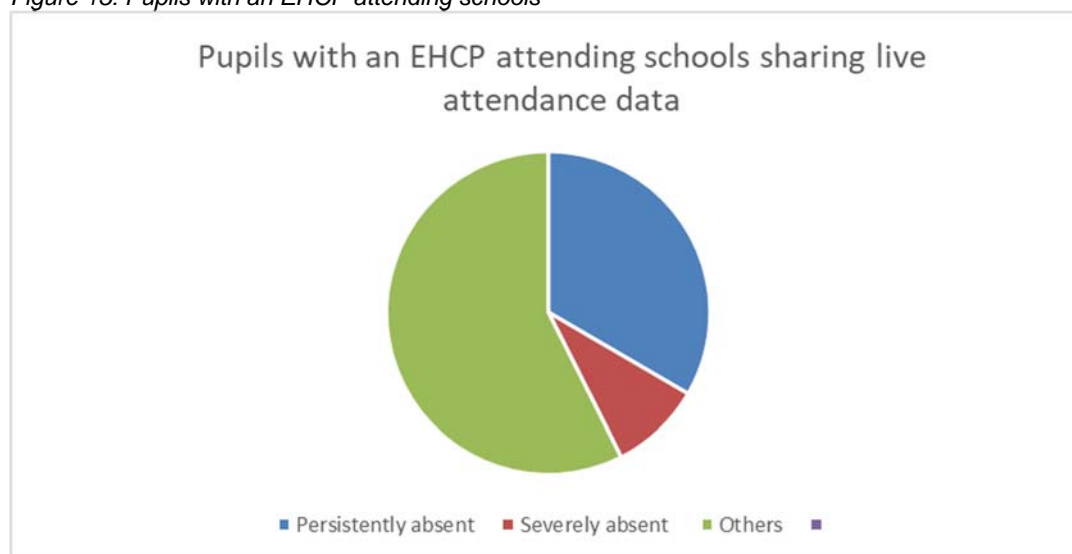
*Table 7: Reasons for Elective Home Education*

Top 3 Reasons	
Reason (where known)	% of Total
Stress/Anxiety/etc.	26.8%
Religious Reasons	8.0%
Philosophical/Pref Reason	5.6%

### 3.34 Attendance

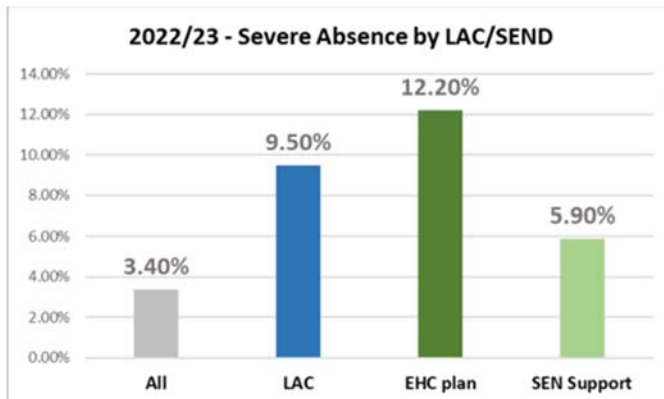
- 3.35 In October 2023, of the 324 schools who are sharing live attendance data via the DfE Attendance Portal, 2,978 pupils have an EHCP with 995 of those being persistently absent (90% attendance or less) and 273 being severely absent (50% or less)

*Figure 15: Pupils with an EHCP attending schools*



- 3.36 3.4% of all children in North Yorkshire schools are recorded as severely absent, but 12.2% of children with EHCPs, and 5.9% of children at SEN support.

*Figure 16: 'Severe' absence by LAC/SEND*



3.37 A proportion of these pupils will be absent for physical/medical reasons, but a significant number will be due to lack of engagement with school, and anxiety related to school.

### 3.38 Exclusions data

3.39 Both suspensions and exclusions have now exceeded pre Covid levels, with the most concerning increase coming in the area of primary permanent exclusions. After years of this being at zero, there were 16 permanent primary exclusions in 2022/23, most with SEND, many with EHCPs, and an increasing number being Children In Need.

Figure 17: Number of suspensions

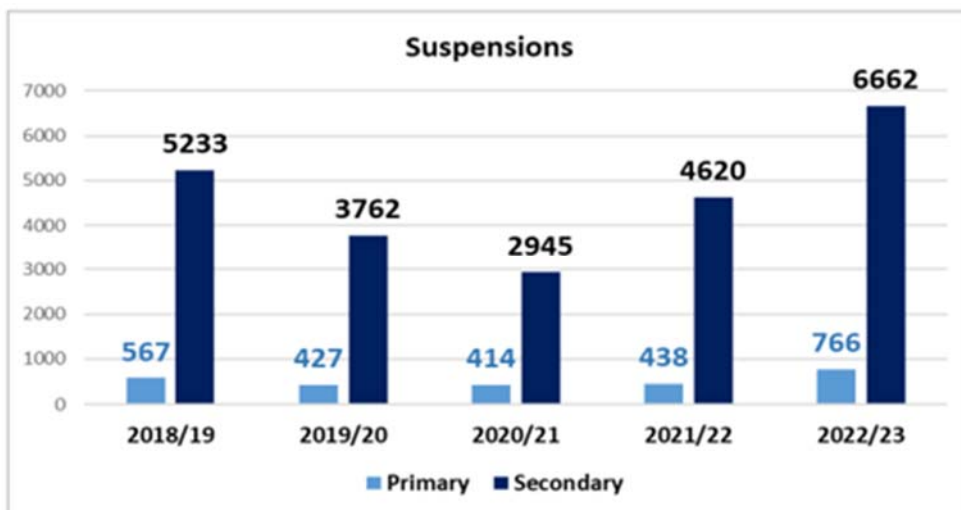
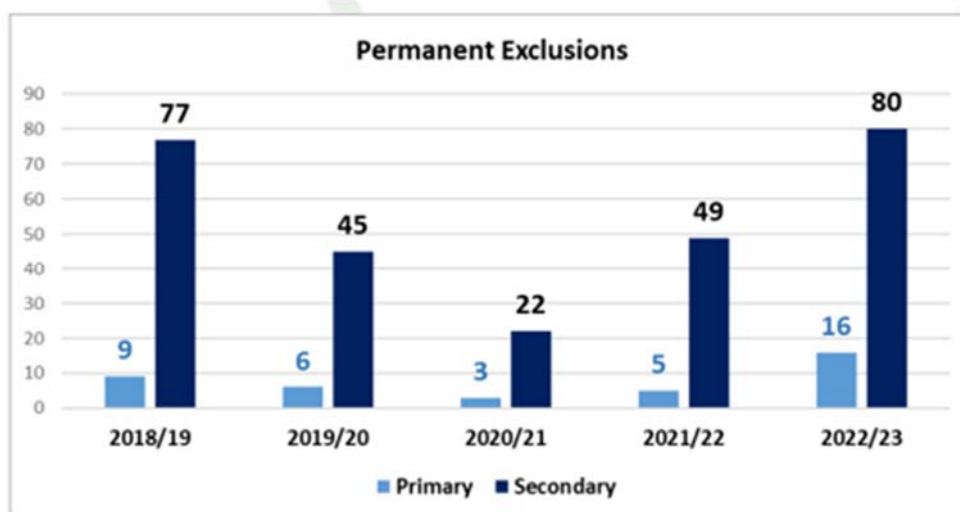


Figure 18: Number of permanent exclusions



### 3.40 Growth, Sufficiency and Commissioned Numbers

- 3.41 As set out in **paragraph 3.14** the number of EHCP's is expected to continue to rise year on year. Whilst national policy changes may impact future trends, for planning purposes, known historical trend data continues to be the most secure information available for the purpose of forecasting demand and growth.
- 3.42 Since January 2020 the number of North Yorkshire EHCPs has grown by 52% from 3,102 to 4,727. Primary needs with the greatest growth continue to be Autism and SEMH. This is a trend seen regionally and nationally and has informed our SEN Capital Programme set out from **paragraph 3.47** below.
- 3.43 The forecast sets out the requirement for an additional 350 special school places in the next three years as well as a further 168 places within Targeted Mainstream Provisions. Whilst we have set a clear plan, and allocated significant capital funding, for the delivery of more specialist provision it is in the context of continuing to work with schools and colleges to build confidence and ensure the majority of children with SEN are able to access their local mainstream setting.
- 3.44 Since 2017/18 the existing special school estate has been expanded by a further 374 places with growth across all Academy and Maintained special schools serving all parts of the county. As of May 2023, all localities had a proportionately similar volume of special school places available to children in each locality. **Table 8** sets out the total population of school age EHCP's and the proportion of the total commission of special school places currently occupied by children living in each district.

*Table 8: Mainstream and Special School Commissioned Places*

	<b>Mainstream Places</b>	<b>OLA/Ind NMSS Places</b>	<b>NY Special Places</b>	<b>All Special Places</b>	<b>% of total special places</b>	<b>% of total population</b>
<b>Ham/Rich</b>	399	62	297	359	25%	23%
<b>Harrogate</b>	570	91	301	392	28%	29%
<b>Craven</b>	140	32	77	109	8%	7%
<b>Selby</b>	276	108	94	202	14%	14%
<b>Scarborough</b>	541	35	323	358	25%	27%
<b>Total</b>	<b>1,926</b>	<b>328</b>	<b>1,092</b>	<b>1,420</b>	<b>100%</b>	<b>100%</b>

3.45 Within North Yorkshire there are 10 Special Schools and Academies. Commissioned places for 2022/23 are set out in **Table 9**.

*Table 9: Special School & Special Academies Commissioned Place 2022-23*

<b>School</b>	<b>Places</b>
Brompton Hall School	67
Welburn Hall School	98
The Woodlands Academy	132
The Dales School	75
Springhead School	97
The Forest School	137
Springwater School	110
Brooklands School	88
Mowbray School	309
Forest Moor School	80
<b>Total</b>	<b>1,193</b>

3.46 In addition to special school places, High Needs funding is also used to fund Alternative Provision and Targeted Mainstream Provisions. Currently there are 10 TMP's and 7 PRUs and Alternative Provisions serving the county's children and young people. There are 172 places commissioned within PRUs and APs with a further 84 Places commissioned across 10 TMP's. **Table 10** and **Table 11** sets out the breakdown of where places are commissioned:

*Table 10: PRU and AP commissioned places in North Yorkshire*

<b>Provision</b>	<b>Places</b>
Hambleton And Richmondshire PRU	30
Springwell Harrogate	30
Scarborough PRU	40
Rubicon Centre (Selby)	30
Craven PRU	23
ROOSE (Ryedale)	13
Whitby AP	6
<b>TOTAL</b>	<b>172</b>

*Table 11: Targeted Mainstream Provision commissioned places in North Yorkshire*

<b>TMP</b>	<b>Places</b>
Wensleydale School	8
Ham/Rich PRS and Thirsk School	8
Alverton Primary	8
Stokesley Primary	8
Westcliff Academy	8
East Whitby Academy	8
Caedmon College	8
Grove Road CP	8
Skipton Academy	12
Holy Family	8

### **3.47 SEN CAPITAL PROGRAMME**

- 3.48 Executive Members approved a £20.5 million investment programme in April 2023, designed to deliver an additional 315 places across North Yorkshire to address the pressure points in terms of specialist provision, and to address two established shortfalls: (i) an SEMH provision in the north of the county, and (ii) a secondary provision for young people with a primary need of Autism.
- 3.49 The programme is resourced in part by the DfE High Needs Provision Capital Allocations (HNPCA) available to support increasing specialist provision capacity. However, as the total HNPCA allocation is only £10.1 million - and as such, is the lowest allocation across all local authorities in terms of per pupil levels of funding – the programme is also funded from additional resources including both underwriting by the local authority in anticipation of further HNPCA allocations and the earmarking of contributions from the Schools Condition Grant (in line with the Schools Forum resolution from March 2020).
- 3.50 The major developments supported by the programme include:-
- Significant expansion of Springwater Special School to increase capacity by 45 places;
  - Provision to support any liabilities for the local authority related to the development of the new special free school in Northallerton supporting young people with SEMH needs – secured through the Free School programme in March 2023
  - Undertaking an urgent repairs programme at Welburn Hall school to address the chronic failure of the heating and drainage facilities in the House building – and to facilitate the restoration of residential provision from September 2025;
  - Supporting further expansion of the Targeted Mainstream Provision programme
  - Developing a new provision in Harrogate to support 80 young people with a primary need of Autism. The new special school will cater for secondary-aged young people and the Free School presumption route will be utilised to identify an academy sponsor for the development
- 3.51 The ambition is that the expansion in capacity will facilitate a reduction in higher cost placements in the independent sector and reduce that potential longer-term financial

pressure upon the high needs budget, as well as ensuring that more young people can be educated in provisions closer to their local communities and have their identified needs met more effectively.

#### 4.0 **MITIGATING ACTIONS**

- 4.1 As outlined earlier in the report, the local authority has a number of existing mitigating actions already 'in train' including the rollout of the targeted mainstream provision, implementation and delivery of a £20.5 capital programme to deliver an additional 315 specialist places including the establishment of three new special schools (in Harrogate, Selby and Northallerton). In addition, Woodlands special school is also being rebuilt as part of the DfE's School Rebuilding Programme and will create additional specialist places in a modern environment.
- 4.2 The local authority is also constructively engaged in the DfE's Delivering Better Value in SEND programme which aims to improve delivery of SEND services for children and young people whilst working towards financial sustainability.
- 4.3 Running in parallel with the Delivering Better Value in SEND programme, proposals are in development which could assist in moving to a financially sustainable high needs budget.
- 4.4 It is intended that any proposals will enhance the effectiveness of how the SEND and high needs system operates in North Yorkshire and, as far as possible, improves outcomes and access to support for young people. The local authority is seeking to discuss the proposals with a range of stakeholder parties (starting importantly with the Schools Forum High Needs Subgroup on November 16th).
- 4.5 There is an overlap between the development of mitigating actions for the significant projected accumulated deficit and the Delivering Better Value in SEND programme. Two of the proposals discussed below (the SEN Capital Programme and accelerating the TMP roll-out programme) have already been included within the DBV in SEND programme as strategies that the local authority is in the process of implementing.
- 4.6 The local authority is also seeking to enhance confidence in the mainstream offer, where up to £1m of DBV Implementation Grant may be deployed as part of the programme (technically described as a Stage 1 mitigation). CIPFA (Chartered Institute of Public Finance and Accountancy) will test the scope for local authorities to deliver savings against nine thematic areas they have identified as areas with significant savings potential from work with DBV Wave 1 and 2 authorities and Safety Valve authorities (this is technically described as Stage 2 mitigations).
- 4.7 The current transformation programme for the High Needs budget in North Yorkshire is allocated into four areas of activity  
Area 1: Funding  
Area 2: Confidence in the Mainstream Offer  
Area 3: Provision  
Area 4: SEND Assessment Processes and Systems
- 4.8 In terms of "Area 2: Increasing confidence in the mainstream offer", the local authority is exploring three key transformational projects:

- 'Alongside support' at point of transition from Nursery to reception for children with autism or related complex social communication needs
  - 'Alongside support' at point of transition from Y5/Y6 to Y7 and secondary school for children including those with autism or related complex social communication needs, or a range of presenting needs leading to perceived vulnerabilities at the point of transition
  - School SEND and inclusion review focussing on evidence and practice in school
  - Development of consensus around Ordinarily available provision for pupils at SEND support and resources to support this, leading to a potential 'Inclusion in North Yorkshire' Quality Mark
- 4.9 The local authority is currently assessing the potential of these projects to deliver benefits in terms of (a) supporting young people to remain on more secure pathways as they move through their transition points and (b) potentially enable the needs of more young people to be met without requiring an EHCP and (c) reduce dependency on high needs INMSS placements
- 4.10 In addition, the local authority is exploring whether these projects can be underpinned by reviewing the impact of the existing Locality Hubs model and exploring an option to develop a non-referral based access to a core offer of support from the SEN hub.
- 4.11 In terms of "Area 3: Provision" related themes, as discussed in **paragraph 4.5** above, two activities have already been submitted as part of the mitigating actions within the Delivering Better Value in SEND process; namely the SEN Capital programme and the expansion of the Targeted Mainstream provision programme. It is estimated that these programmes could have accumulated savings of £15 million and £4 million respectively across the four years through to 2027/28. The realisation of these savings will require significant additional work to deliver capital works, and to carefully manage placement decisions to ensure the maximum benefit from these developments is secured.
- 4.12 Other projects under consideration in this area include:-
- review of EOTAS / MES service offer
  - potential review of extended day provision arrangements
  - review of the financial benefit from reintroducing residential provision to Welburn Hall from September 2025
  - scope to reintegrate young people from INMSS placements into other categories of provision (particularly Special Schools)
- 4.13 In terms of "Area 4", there are three main strands of activity that are taking place: -
1. An end-to-end review of the SEN assessment processes – which is anticipated may lead to reductions in the levels of complaints and tribunal proceedings if the quality of outcomes can be improved
  2. The local authority is continuing to review outcomes in terms of funding allocation decisions, to assess if more effective decisions can be made in relation to banding uplift decisions, initial banding allocations for EHCPs, and the number of Band 10 and exceptional funding allocations. It is anticipated that some of these benefits will flow from work planned to clarify the description of need for individual bandings.

3. Assessing whether better value for money can be secured through commissioning arrangements with INMSS and SPI providers
- 4.14 In terms of “Area 1: Funding”, the local authority has consulted with schools and academies on a proposal to action a block transfer of 0.5% of the Schools Block DSG to support the High Needs budget for the 2024/25 financial year. The local authority has also undertaken a consultation exercise to revise the formula and allocation sums for the notional SEN budgets for mainstream schools. Whilst this proposal delivers no direct benefit to the high needs budget, it is anticipated that it will support more effective management of SEN resources within some schools.
- 4.15 Other proposals that are under consideration / being investigated include:
- reviewing the processes and evidence bases which assess the level of financial contribution that is equitable from stakeholders such as Health partners
  - Consideration of the establishment of an SEN Inclusion Fund within the Early Year Block
  - Assessing the extent of any future Element 3 funding allocation increases
- 4.16 Notwithstanding the mitigating actions identified to date, the medium-term financial projections show unsustainable levels of financial pressure on the High Needs Block allocations. Schools Forum are advised of the need to consider a block transfer from Schools Block to the High Needs Block to support the inclusion of children with SEND in mainstream schools. Initial modelling shows that a block transfer of 0.5% of Schools Block equates to approximately £2.18m. This funding effectively supports the High Needs Block total and supports the continuation of financial support for children with SEND.
- 4.17 **Partnership Arrangements**
- 4.18 The High Needs Block supports the whole of the SEND system with education leaders, families and young people being an important part of the system, including their views and preferences about needs and provision. Considerable partnership working is in place including:
- Regular engagement with families at an individual level but also in terms of the role of Parent Carer Voice in strategic developments including the SEND and AP Partnership Board and participation of LA officers in the PCV ‘Let’s talk’ sessions.

Strategic engagement with education leaders is developing and can be seen through a number of mechanisms including:

- Through the Locality Boards, its Steering Group and recent Engagement and Celebration event.
- This year Inclusion is the focus of Headteacher briefings which have been well attended and again reinforce the role of all elements of the partnership working together to support inclusion and decision-making relating to the HNB. These have been well received.
- The DBV programme is also premised on substantial stakeholder engagement including the analytics and grant application.

## 5.0 IMPACT ON HIGH NEEDS BLOCK FUNDING

- 5.1 The 2023-24 allocated High Needs Block for North Yorkshire amounts to £78m. Following adjustments, this is reduced to £71.5m in cash terms. There has been a reduction of £133k from the High Needs Block allocation reported in March 2023 driven mainly by a change in the import/export calculation. Changes in income and anticipated expenditure are shown in **Table 12** below:

Table 12: High Needs Block Budget

Budget Area	Budget as per March 2023 (£k)	Expected Outturn as at Q2 2023/24 (£k)	Variance to Budget (£k)
High Needs Block DSG (post-recoupment and Import/Export adjustment)	71,466	71,333	+133
High Needs Commissioning	67,692	67,686	+6
Alternative Provision	1,729	1,837	+108
Inclusion	1,579	1,620	(41)
Hubs and SEN Provision	2,947	2,708	(239)
Other Budgets	549	474	(75)
<b>Total Estimated Expenditure</b>	<b>74,496</b>	<b>74,325</b>	<b>(171)</b>
<b>Estimated In-year Deficit</b>	<b>3,030</b>	<b>2,992</b>	<b>(38)</b>

- 5.2 The High Needs Commissioning Budget amounts to £68m (95% of total High Need Block DSG) and can be further broken down to illustrate areas of deployment of funding (see **Table 13**).

Table 13: High Needs Block Commissioning Budget

<b>Budget Line</b>	<b>Anticipated as at Oct 23 (£k)</b>	<b>% of anticipated spend</b>
NY Special Schools	24,145	35.7
Mainstream High Needs	11,253	16.6
Independent Schools	9,612	14.2
Non-maintained Schools	3,369	5.0
PRUs	3,304	4.9
OLA Expenditure	3,109	4.6
Pooled Budget	2,889	4.3
SPIs	2,146	3.2
Personalised Learning	2,110	3.1
FE Colleges	1,778	2.6
Early Years High Needs	1,637	2.4
Education Other Than At School (EOTAS)	720	1.1
Targeted Mainstream Provision	701	1.0
Independent Learning Providers	688	1.0
Other	225	0.3
<b>TOTAL</b>	<b>67,686</b>	<b>100</b>

- 5.3 It is anticipated that the estimated financial pressure in 2023-24 will be in the order of £3.0m.
- 5.4 However, demand predictions outlined in section 3.14 indicate that, other things being equal, the underlying financial pressure of £3.0m will grow in each of the next four financial years resulting in an underlying in-year financial pressure of £38m in 2027-28. This is an unmitigated forecast and, if left unchecked, represents an unsustainable financial position.
- 5.5 Over recent years, funding transfers have been made from the Schools Block DSG to the High Needs Block for the 2018/19 and 2019/20 financial years as follows:
- 2018/19 – 0.5% (£1.66m) transfer approved by the Schools Forum

- 2019/20 – 0.5% transfer approved by the Schools Forum; subsequently an application made by the local authority to transfer 1% (£3.3m) was approved by the Secretary of State.

A further funding transfer request of 0.5% was made in the 2020/21 financial year. This request was not supported by the Schools Forum and was also not subsequently approved by the Secretary of State. There have been no further requests to transfer funding from the Schools Block DSG to the High Needs Block for the financial years 2021/22 to 2023/24.

- 5.6 The funding transferred from the Schools Block DSG to the High Needs Block for the 2018/19 and 2019/20 financial years was utilised by the local authority to:

- Seek to partially mitigate the significant additional cost pressures, and associated deficit, on the High Needs Block of the unprecedented increase in the number of EHCPs between 2014 and 2020.
- Support the implementation of the local authority SEND Strategic Plan 2018–2023.

**Contributions from health and social care budgets towards the cost of specialist places**

- 5.7 The Pooled Budget element within the High Needs Commissioning spend is the education proportion of a combined fund which provides very high-cost placements for young people with complex needs. This combined funds also receives appropriate contributions from the Local Authority Social Care Budget and our Healthcare partners. Health contributions in 2023/24 are anticipated to be approximately £800k in relation to a small number of children.

6.0 **CONCLUSIONS**

- 6.1 The scale of the financial pressure facing the High Needs Block is significant and will continue to rise if left unmitigated. This financial pressure is not unique to North Yorkshire and reflects the national trend. We will continue to lobby DfE and MPs for a fairer funding deal for children and young people in North Yorkshire. However, in the absence of national funding solutions either to demand management or increased funding, it is essential that the local authority, in conjunction with school leaders, continue to review and develop mitigating actions to ensure a financially sustainable position in the medium-term.
- 6.2 In summary, the impact of significant increases in funded EHC Plans and demands for special school placements has resulted in an accumulated deficit of £10m by March 2023. This will increase significantly in the next five years unless mitigating actions or national funding solutions ameliorate the projections.
- 6.3 As set out elsewhere on the agenda, Schools Forums have the authority to agree to transfer 0.5% of Schools Block funding into the High Needs Block to alleviate financial pressures, after taking into account the views of schools and academies. Any transfer above 0.5% needs approval from the Secretary of State.

## 7.0 RECOMMENDATIONS

### 7.1 That Schools Forum:

- Receive the report and notes the financial implications

STUART CARLTON

Corporate Director – Children and Young People's Service