Schools Forum

July 2022

Ahenda 7 - High needs funding Update

**Report from:** Celia Buxton, AD Education and SEND

**Summary:** The report outlines the current situation with the high needs spending and some of proposed changes to the high needs deficit recovery plan (HNDRP).

1. **Background**

* 1. As described in the previous report to the schools forum, the current HNDRP does not resolve the deficit issue within the planned 10 years. For the 2021/22 financial year the overspend was £8m, bringing the total deficit to £20.5m.

1. **Safety Valve Intervention Fund (SVIF)**
   1. In May 2022, Medway council was invited to take part in the SVIP and had an introductory meeting with Tony McCardle and other DfE and ESFA colleagues to discuss our current plans. The full letter, with the details of the requirements of the programme and the revised timeline can be found in Appendix 1.
   2. Note: we are required to produce a DSG recovery plan which, not only brings the operating HN budget into a positive in year balance but also show how we will work to reduce the deficit. This includes any additional contributions from the council and transfers from other DSG blocks.
2. **Contextual Data**
   1. A data pack is attached to this report in Appendix 2.
3. **Revised HNF Deficit Recovery Plan**
   1. Work to develop the revised HNDFP is ongoing and focuses on the 3 core principles of:  
      1. Appropriately managing the demand for Education, Health and Care Plans (EHCPs), ensuring EHCP requests are timely and appropriate and supported by education and health professionals.

* Provide training to Early Years providers in supporting deescalation and transition planning so that only the most complex needs are referred for an EHCP at this age.
* Increase the proportion of applications for EHCPs being made by education professionals.
* Increase parental confidence in mainstream schools to be able to cater for their young persons needs.
  + 1. Increase the proportion of children and young people with SEND who receive high quality education and achieve their potential in mainstream schools.
* Use the additional resource, secured through school block, transfer to provide Inclusion support for schools and develop locality resources that are deployed by schools to meet need that contributes to achieving set outcomes.
* Providing a clear offer of capacity-building support
* Making available a locality resource
* Engaging system leaders
* Focus on inclusion in selective schools  
  + 1. Ensure the use of appropriate and cost-effective provision.
* Increase the capacity of non-independent special schools to cater for CYP with the highest level of need.
* Increase availabilty of Resourced Provision in localities, including in selective schools
* Inform a longer-term approach to place planning which provides an authentic choice of a local school for children and young people with SEND
* Ensure value for money for all the services commissioned, both in terms of quality and financial efficiencies

1. **Financial Considerations**
   1. It is clear the sustainable in year budget management will most effectively be achieved by ensuring the proportion of CYP with EHCPs catered for within each provision type is in line with national. The new plan seeks to achieve this position in four to five years given roll out of existing placements.
   2. Further savings will be achieved with the introduction of the commissioning team, who will initially focus on the independent special school provision and other independent provider provision. [[1]](#footnote-1)Independent placements currently cost Medway £13,756,449 (including 38-week residential placements) for 385 pupils, an average of £35,731 per place.
   3. There is a planned a review of Alternative Provison which will be largely focused on ensuring more pre-emptive and revolving door activity is able to take place to reduce exclusions and improve attendance. It will aim to remove the use of independent provision for this cohort entirely and re- design the system so that the needs of the area can be met within it’s funding envelope. The total amount of funding £3,704,539 currently spent is unlikely to reduce, however we are proposing to cap this amount for the next three years.
   4. There will be a planned increase in the funding to mainstream schools to support CYP with EHCPs, this will be addressed through the EHCP review and the potential introduction of a banding system.
   5. Further work needs to be done to ensure all parties (health and social care) are contributing their fair share of the funding for EHCP’s.
2. **Planning and Governance**
   1. The Inclusive Education Oversight (IEO) group are providing oversight of the work planned and will be monitoring its impact and outcomes. The group has representation from all Head teacher groups and the school’s forum. The group will consider the outcomes of the various task and finish groups.
   2. The IEO group have met once this term to discuss the data and proposed actions. They will meet again on 14th July to consider the final budget plan, before it is taken through internal governance procedures and then submitted to the DfE in September.

Note: the final budget plan is in the process of being checked. If it is available before the meeting it will be sent separately.

**Appendices**

**Appendix 1:** Safety Valve Intervention Programme Letter

**Appendix 2:** Contextual Data Pack

1. Correct April 2022 [↑](#footnote-ref-1)